# GENERAL DISCUSSION ON THE BUDGET.

PRESIDENT: The general discussion of the budget will now begin.

RAO BAHADUR K. A. KRISHNA AIYANGAR (*Nominated*): Sir, it is certainly gratifying to members on this side of the House to be told that the budget which the Financial Secretary introduced in the Council on Monday last was the result of the joint labours of the Government and the representatives of this Council. I have no doubt that members of the House will accord to the budget a cordial reception which Mr. George claims for it and a comparative immunity from criticism which the claim implies. Absolute immunity from criticism is certainly unthinkable.

When the budget for the current year was presented to the House in Karkadakam last, there was a spirit of robust optimism in the speech of the Financial Secretary. Some of us, however, who listened to the speech, were not without serious apprehensions whether, when the accounts for the year were closed, instead of a nominal surplus a heavy deficit would not stare us in the face. Our apprehensions, however, have been falsified by the figures embodied in the budget. From a nominal surplus of about Rs. 71,000, we find that the present year will close with a surplus of something like Rs. 7¼ lakhs. This extraordinary result, to my mind, has to be traced to two distinct causes, *viz.*, a windfall in the shape of the enhanced salt tax and an increase of revenue under the head of country liquor. The first accounts for something like Rs. 4¾ lakhs and the second for something like Rs. 2·60 lakhs. Speaking generally, from the standpoint of the economic condition of the people, I should have been perfectly happy if this increase had resulted from any other source than salt and liquor. I realise, Sir, that, under the terms of the existing arrangements with the British Government, we are bound to raise the salt duty whenever it is raised by the Government of India. I, however, trust that this enhancement of duty will not seriously lower the quantity of consumption per head of the population as a direct result. The abkari revenue, especially the revenue under liquor, has never been regarded either by the Government or by the representatives of the people as a desirable source of revenue for running the administration. I have no doubt that, sooner or later, the Government will have to face the contingency—sooner rather than later—of doing away with this tainted income. But I realise the practical difficulty in the way of the country going 'dry' all at once. Nevertheless, statesmanship demands that some attempt should be made beyond the administrative measures now adopted. Some attempt should be made for reducing steadily the quantity of liquor consumed in the country, until the Government will be in a position to do away with the iniquitous revenue derived under the head of liquor and develop other sources of revenue to allow the administration to proceed without its progressive requirements being in any way starved. Oftentimes we hear of retrenchment as an alternative scheme; but I frankly recognise that



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beyond a certain limit it is impossible to continue the cry of retrenchment unless the administrative machinery is to face the fate of the Irishman's horse that was humorously referred to by Mr. Ginwala in the last debate in the Indian Legislative Assembly.

Some time back, while reading through one of the recent issues of the *Indian Engineering*, I found a well-informed article dealing with the existence of mineral deposits of kerosine oil in the neighbourhood of Alleppey and Purakad. It did not strike me that it was the outcome of an enthusiast's brain. It struck me at the time that the writer of the article had considerable data before him when he wrote that instructive article on the existence of mineral deposits and petroleum not merely at Alleppey and Purakad, but in the neighbourhood of Cochin also. I have no doubt that, in the course of his investigations, Mr. Chacko, the State Geologist, should have made a careful study of the possibilities of developing our mineral wealth in that part of the country for purposes of adding to our sources of revenue. We used to say that the hand that rocks the cradle rules the world; then we were told that the almighty dollar rules the world; and now we are told that mineral oil rules the world. If that be the state of things and if, after all, there is a fairly good supply of mineral oil awaiting man's industry to supply the Government with funds to replace the loss that the abolition of abkari revenue might entail, I make a present of that to my friend Mr. George; and I certainly expect that Mr. Chacko, in the course of his reply, will tell us something substantial as to whether the story that is depicted in such glowing colours in the columns of the review quoted by me has any foundation in fact. In any event, it appears to me that, if with a little expenditure the question could be satisfactorily ascertained, it is an expenditure that this House should not grudge. Many of us are aware of the phenomenon of what is known as the mudbank providing perfectly safe anchorage in the neighbourhood of Alleppey and Purakad during a great part of the year. There is a popular impression—it may be absolutely erroneous; I am merely repeating what I have been told—that this mudbank evidences the existence of oil in the neighbourhood.

However, as I said at the outset, the results for the year 1098 are very satisfactory; and the forecast for the coming year based on the figures of the revised budget for 1098 cannot be said to be over-optimistic. I do find that ample provision is made for education, especially in the direction of providing facilities for the children of the backward classes and of the depressed classes. I have only one observation to make in that connection. It has been a standing complaint with me, ever since the new Education Code was introduced, that absolutely no provision was made by Government for encouraging really intelligent but poor youths in the matter of receiving higher education. Time was, Sir, when ample provision was made in His Highness the Maha Raja's College and in the High School attached thereto, when I was reading in the eighties of the last century; and

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that concession which obtained not merely in the departmental schools but in aided schools also was a commonly recognised help until the new Education Code was introduced by Dr. Mitchell. The system received a knock-down blow then; and as a result of the representations made to the Government in succeeding years, I was given to understand that Government proposed to devise a system of scholarships for the help of really intelligent youths in different parts of the State. A system of scholarships was attached to every departmental and aided school; but the system of free scholarships which obtained in the good old days practically disappeared. If, in an advanced country like England, a large percentage of free scholarships is provided, I fail to see how we are better off in the matter of our general economic strength, so that the Government might safely tell the people: "You pay for your education or better not join the school". That, I submit, is certainly an unfair view for any Government to take merely because the expenses of education are going up. I do concede, Sir, that, more than any other province or Indian State, the Government of His Highness the Maha Raja have been spending very generously in the matter of the spread of education during all these years. But, all the same, it is a real difficulty which I submit was not removed by the Government when recently they directed that the representatives of particular communities would have the benefit of their children being educated at concessional fee rates. I have no quarrel with them. Even there, I just mention one circumstance which struck me, *viz.*, that while a judge's son will have the benefit of the concession, that judge's peon's son will have to pay full rates. It is not an imaginary state of things that I am depicting. Why the benefit of that concession should be withheld from caste Hindus and the Syrian Christian community in the State passes my comprehension. It might be said that those communities are fairly well off. That does not mean that every member of the community is in a position to meet the enormously growing demands in the matter of the education of his children. I do not grudge the grant of special encouragement to the representatives of backward and depressed classes to bring them into line with advanced communities in the State. The depressed classes as a class are a landless class; until recently there was hardly any one among them that could be said to own an inch of land. That state of things is engaging the sympathetic attention of Government; and I know that arrangements have been made for registering small blocks in the names of members of these depressed classes. But why should members of communities sufficiently well off in the material things of life be generously benefited, ignoring the legitimate claims of poor members of other communities? It ought not to be withheld from one because it was his misfortune to have been born in a particular community. Time is long gone when any man can claim privileges on the score of his birth. But birth should not turn out to be a serious obstacle in the race of life.

With these observations, I resume my seat.

MR. G. PARAMESVARAN PILLAI (*Neyyattinkara*): Sir, by claiming that the budget estimates for 1099 presented to the House

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last Monday were the joint production of the Government and the representatives of this Council on the Finance Committee, the Financial Secretary was obviously apologising for its imperfections or deliberately placing the non-official members of that committee in a difficult situation. In the first place, the budget was, as usual, "hatched in the secret recesses of the Secretariat" though the three non-official members, who were always in a minority in that predominantly official body with the Dewan as President, were allowed an opportunity to examine and discuss the proposals. They have not set their seal either collectively or individually to the proposals embodied in the budget as such and it is misleading to imply that, by being allowed to view an advance copy of the budget, your representatives surrendered their right to freely criticise the budget in the Council. It is hardly to be expected that, during the budget sittings of the committee lasting for seven days only, the committee could elaborate a scheme of retrenchment in the public service involving great and fundamental changes in the organisation and working of the various departments.

The budget placed before the committee was in two parts; the first dealt with all items of ordinary expenditure essential for the carrying on of the administration according to existing sanctions and aggregating to nearly Rs. 194·94 lakhs out of the total budgeted expenditure of Rs. 198·73 lakhs for 1099. In regard to this part, we had to content ourselves with urging the suggestions made in this House during the last budget session and which will, I am sure, be repeated this year. Part II consisting of the new proposals costing Rs. 3¾ lakhs came in for a freer discussion; and it may be noted that the non-official side dissented in respect of schemes involving more than Rs. 1½ lakhs and approved most of the items that mainly related to the Development Departments. The committee, it may be observed, omitted proposals to the exent of Rs. 84,000 on account of buildings and tools and plant. I have felt it due to myself and to my colleagues on the Finance Committee to dwell at some length on this matter as the words of the Financial Secretary are misleading. The non-officials on the Finance Committee are not permitted under the G. O. constituting the Committee to take any initative; and to my mind the most beneficial result of the discussions has been a closer mutual understanding of the official and non-official points of view.

The members of the Finance Committee were elected in November last, but the executive order appointing the Committee and defining its powers was issued only some months after. Prior to the budget meeting, the committee met only once in connection with the supplementary grants placed before the Council at the April meeting. It is to be hoped that the reconstituted committee will be predominantly non-official in character and given wider powers as implied in the Dewan's replies to certain representations made at the last session of the Assembly and that the committee will be afforded an opportunity to initiate schemes

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and suggest retrenchments. The Committee should be a creature of this House like any other select committee.

The Financial Secretary claims that there has been no mystery in the framing of the budget this year. No doubt we realised that even a layman uninitiated in the mysteries of high finance could present a surplus budget so long as the certification of the salt tax by the Viceroy brings in an inevitable increase of revenue or the reduction of the outlay on Public Works proper may be brought to the rescue. The huge commitments of the Government such as the Cochin Harbour scheme involving substantial amounts were never placed before the committee; and it has come as a surprise to find it included under "Advances Repayable". Neither the memorandum nor the Financial Secretary's speech gives any indication whatever of the reasons which led to the transfer of this item from a Service Head to a Debt Head. I cannot support the policy of financing capital expenditure on such big schemes out of the cash balance. The House would be glad, in view of the past history of the scheme and the future liabilities of Government in the matter, if a full statement of the case could be furnished.

I would join issues in regard to the claims frequently made on behalf of the superior wisdom of the Travancore Finance Department in tiding over a period of "unprecedented economic depression" and "universal scarcity of money" "without imposing additional burdens on the people" and "without starving the needs of a progressive administration". As I have more than once observed, to compare the conditions affecting the rise and fall of revenue and expenditure in Travancore with those violent fluctuations which characterise the finances of the European countries after the war, or for that matter with those of the Imperial or Provincial Governments in India, is to compare two *essentially* different things. We have not those problems of unemployment and its insurance, war pensions, interest on the national debt, bounties to safeguard agriculture and local industries or dulness or diversion of trade caused by a fall in the exchange or unsettled political conditions as is the case in Europe. Nor have we, as elsewhere in India, the problem of provincial contributions, the incubus of an excessive military budget or the grade of salaries attached to Imperial Services or the increased expenditure directly brought about by the democratisation of the governmental machinery. Our trade has steadily been improving as is indicated by the customs revenue. In our insularity lies a great measure of safety, and windfalls like the salt tax fortunately come to our rescue. For, without the salt tax, the receipts would have stood at Rs. 193¾ lakhs and expenditure at Rs. 198¾ lakhs during 1099. I therefore demur when the Finance Department pretends to arrogate to itself and to "its cautious and prudential policy" the credit for our not being bankrupt.

I may, in this connection, be permitted to make a passing reference to the new schemes, mentioned by the Financial Secretary in his speech, costing Rs. 3¾ lakhs. If the Land Records scheme and the Puduval Survey scheme are included in that list, I might at once say they cost more than Rs. 1½ lakhs and are lingering against the wishes of the people

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and to the uneasiness of Government, whereas such schemes as the Committee of Ways and Means, the Central Recruitment Board and the Land Colonisation scheme, referred to in the Dewan's addresses to the Assembly are yet to see the light of day. The Trivandrum Water Supply scheme has also not matured yet.

It is also necessary to examine the claim made on behalf of the Development Departments. I have been at some pains to work out the increase in expenditure incurred on the various Development Departments during the years 1096 to 1099 and I find that out of the total increase of nearly Rs. 8½ lakhs attained during these years, about Rs. 7½ lakhs is under Education and only Rs. 1 lakh has been spent under all the other heads put together. In regard to this expenditure on Education, Government's hands are more or less forced, the additional expenditure being mostly under salaries.

During the three years 1095 to 1097, there has been an increase in revenue to the extent of Rs. 19 lakhs against an increase in expenditure of Rs. 40½ lakhs. According to the revised estimates of 1098, the expenditure fell short of the budget by Rs. 4 lakhs. The major portion of this decrease is explained by the Financial Secretary as due to the average salaries provided for in the budget being far less than the actuals incurred. The net result of the normal transactions of the year has been that we continue to be where we were. The budget is disappointing in that it does not indicate any serious attempt having been made by Government to tackle the several problems raised in this House regarding the improvement of the revenue resources and retrenchment of expenditure under public service.

At the last budget session, the Deputy President was allowed to suggest the reopening of the Interportal Trade Convention. And my friend Mr. T. K. Velu Pillai subsequently elaborated the idea and pleaded with characteristic force and ability the cause of Travancore before one who now belongs to the Government of Madras. It is believed that out of the revision of this trade agreement would come our financial salvation. On principle we have a right to reopen the contract in view of the altered economic conditions. Before reopening the question, I feel, however, bound to point out the supreme necessity for ensuring the local production of all the salt required for consumption in the State. I would, in this connection, also draw the serious attention of Government to reconsider the position relating to the refund of tea duty to the British Government and to secure for us the benefit of the duty on opium consumed in this State.

The steady improvement of the finances of the State is impossible except by a substantial development of our earning capacity, except by the augmenting of our agricultural and industrial output. In the former department, though much has been done, the outlay is inadequate having regard to the fact that agriculture is the staple industry of the State. Very much more remains to be done by way of

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popularising the department's activities in the State. In regard to the latter, we have not apparently left the stage of experiments. To me it has always appeared strange that we cannot, in spite of our experts, profit by the example of other countries, but have to start afresh. Admittedly, our natural resources are abundant and I do not see why we should not, if our experts and the department are worth anything, have our own industrial concerns. The history of our Department of Industries is one of alternating hopes and disappointments. Factories and depôts are opened with a flourish of trumpets and closed with a funeral note; experts are trained, appointed, abolished and sent to other departments. The department has yet to justify its existence.

At this stage, I would content myself with these cursory remarks about our finances, reserving the more detailed and thorough examination of the estimates for the later stage of voting on the individual demands for grants. I seek your indulgence to refer briefly to one or two administrative questions of importance.

I believe that you, Sir, as the Head of the Administration have been responsible for more committees than all your predecessors put together. On a rough calculation, I find that as many as 15 or 16 committees have been appointed by you, not to speak of the numerous official and non-official conferences. I am not chiefly concerned now with the expenditure that these committees and conferences have entailed and are entailing. It would also be foreign to my present purpose to enlarge upon the work of any of these committees; but having had the privilege of representing my brother members on five of these committees, I may speak with some authority on their usefulness; and I feel that in the larger interests of administration I should not omit to refer to their drawbacks. My belief in the immediate necessity for a larger instalment of constitutional reform and for the introduction of the beginnings of responsible Government only makes me all the more ready to admit gratefully that Regulation II of 1097 marks a decided and distinct step in advance. I am prepared to concede that several of the committees were created out of your personal desire to associate representatives of the people in the task of formulation of policies. As I submitted already, these committees labour under certain common disadvantages. The Salaries Committee was confined to appointments below Rs. 150 and was thereby disabled to view the entire question of the over-manning of the public service. The Educational Scholarships Committee was nowhere demanded, its terms of reference were narrow, and the committee was precluded from making any suggestion which would result in increased expenditure. The College Accommodation Committee was constituted with a predominantly official majority, the reference was severely restricted in scope and the vital question of adequate facilities for collegiate education in the State still remains unsolved. The Finance Committee exists on an executive order and I have already disposed of the claim advanced by the Financial Secretary in regard to its hatching the budget. The Assembly Rules Committee was constrained to ask for relief because no useful purpose could be served by it on account of the

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rigid interpretation of the scope of the terms of reference. While committees have been lavishly appointed even though there was no demand for some of them and while their usefulness was considerably impaired and in certain cases nullified by the terms of reference, Government have been indifferent when even the greatest pressure has been brought to bear upon them for the appointment of committees in regard to such matters as retrenchment. I have no hesitation to state that, unless the committees are composed of a majority of elected non-official representatives, unless the terms of reference are wide enough to enable the committees to adequately deal with the entire question at issue, unless committees are appointed where there is an unmistakable demand for them, the expenditure on them is a waste and should be avoided and that in the result they do more harm than good.

Speaking of the retrenchments effected in the public service, I wish to refer to one important point before I close. We are often reminded from the Government benches that there is a limit to retrenchment beyond which it will cease to be economical. We are told that it will impair efficiency. Sir, it is high time that we have clear notions of the term efficiency. Is there a standard of efficiency fixed by Government which may be ascertained and measured either in the quality or quantity of work turned out by their officers? If so, can it be claimed that for the very large percentage of expenditure incurred on account of the public service the standard of efficiency is steadily maintained? Sir, there is considerable difference of opinion in regard to this matter between the Government and the people. If payment of increased salaries is the sole test of efficiency, the public service in Travancore is really efficient; otherwise the people have yet to be convinced of the true import of the term as applied to the Travancore service.

From the questions that have been put during the past and the present sessions of the Council and from the representations made in the Popular Assembly, Government will have noticed that certain departments have come in for a considerable share of suspicion and criticism. Is it that the Government are really unaware of the volume of public opinion in the matter or are they deliberately believing in the infallibility or incorruptibility of their officers? Without specifying names, I would only mention that affairs in more than one department do not seem to be what they should be. When discomforting facts are sought to be elicited by disinterested non-officials, it is easy for the Government to say that "they are not aware"; but perfect ignorance of the popular mind is neither wisdom nor statesmanship. I would therefore put in a strong plea on behalf of that popular opinion which has faintly been echoed in the questions dealt with and the representations made relating to certain departments, and invite the Government to undertake a dispassionate examination of the departments concerned.

MR. S. KRISHNA AIYAR (*Mavelikara* cum *Kartikapalli*): Sir, I have to confess to a feeling of disillusionment after the luminous

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speech with which the Financial Secretary prefaced his presentation of the budget. The revelation contained in the following passage has helped to dispel the mist:

"It is a criticism commonly levelled against all budget-makers that by some mysterious sleight of hand they disguise rather than disclose the real state of a country's finance and that budgets as a rule serve only to bewilder and confuse the unwary public."

The next sentence in which it is claimed that no such charge can be brought against the Government *this year* has relieved our minds of a load of doubt. We feel flattered again that our plea for development and retrenchment has met with such ready response as indicated in the passage:

"On the contrary, members will remember how the Government have been able without undue strain to carry into effect a much-needed revision of salaries of the subordinate services and also to embark on various new schemes of progress and expansion, particularly in the departments concerned with the moral and material development of the country, while in the budget of the coming year as many as 58 new schemes costing about Rs. 3½ lakhs have also been included. At the same time, we have exercised very strict economy in expenditure; we have continued the process of lopping off unnecessary appointments as opportunities offered themselves, and we are preventing waste wherever possible; we are abandoning extravagant designs in buildings and have diverted as much expenditure as possible from buildings to communications and other works of public utility; we are economising in the use of stationery both in quality and in quantity; and we are reducing expenditure under travelling allowances and contingencies".

As representatives of "the unwary public" we feel "bewildered and confused" with the search some of us are yet making to discover the 58 new schemes costing about Rs. 3½ lakhs, presumably concerned with the moral and material development of the country.

The Financial Secretary does not seek to hide his jubilation over the following fact:

"While the Imperial Government, all the Provincial Governments and several of the Indian States are experiencing serious financial difficulties consequent on the economic dislocation and depression of trade that followed in the wake of the Great War, and are compelled to impose additional burdens on the people to make their budgets balance, our State has so far, by its cautious and prudential policy, escaped the common fate of most other Governments and has been able to balance its budget without having either to resort to new taxation or to make any considerable curtailments in its normal expenditure".

Here is a piece of self-laudation that our State by its cautious and prudent policy has escaped the "common fate of most other Governments" and has been able to balance its budget without having to resort to new taxation or to make any considerable curtailments in its normal expenditure. Note the moral of the lesson—how want of caution and imprudence have placed other Governments, Imperial and Provincial, in serious finanial difficulties! That we have balanced our budget is true. That we did not make any appreciable curtailments in expenditure is equally true. But does the latter redound to our credit or evidence our caution or prudence? Has this result been achieved without additional taxation? What is the enhanced salt duty if not new taxation, whether imposed by ourselves or imposed for us by others? And what would have been our plight but for this unexpected windfall? May we not have



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shared the fate of most Governments as Mr. George tersely puts it? Mr. George again takes credit for making provision for Rs. 2½ lakhs against salaries and allowances in excess of actual requirements. Now this implies one of two things, either that this over-estimate was made of set purpose or that a *bona fide* mistake was made by which we have profited. I would much rather accept the latter alternative than allow Mr. George to give credit to himself for want of confidence in the House. Any way, it is apparent now that both the revenue and expenditure forecasts were visualised or projected through a magnifier.

Sir, it is a well-recognised principle that the superstructure of a country's expenditure has to be built on the foundation of certain recurring revenue. We invited the attention of the Financial Secretary last year to some doubtful items of revenue. We took exception to the sale proceeds of Government land being treated as revenue available for recurring expenditure. This is only capital in another shape. It depends on varying factors to be available in liquid form. The Financial Secretary reckons on this item for Rs. 4½ lakhs. In 1098 we made Rs. 2 lakhs less than the budgeted figure. Conditions have not improved since. Out of Rs. 3,51,000, realised, the auction of the Vembanad reclamations, third period, is accountable for over a lakh of rupees. This source has run dry and, sooner or later, lands available for sale must also get exhausted. Rs. 2½ lakhs might therefore be a workable forecast.

As regards forest revenue, I forecasted a shortage of Rs. 2 lakhs last year. And I find it has been proved by the results.

From income-tax in 1098, we made Rs. 4,35,000. I doubt whether we shall be justified in expecting Rs. 5 lakhs this year unless we have consciously left out any considerable items.

Customs have improved with the revival of trade and excise has caught up at the fag end, while salt may be depended upon for another Rs. 4 lakhs. But trade conditions are still uncertain and might follow the probable collapse of Germany in the world of trade. The revenue from salt might fizzle out next year. Under the circumstances, it might be better to err on the safe side and budget for at least Rs. 5 lakhs less than the present estimate.

Coming to the expenditure side, we do not find much of improvement, though we are cheered by the recognition that there is scope for retrenchment. We gratefully appreciate the willingness of the Government to lop off unnecessary appointments and prevent waste.

It may be interesting at this stage to see how far expenditure has been mounting up during the last six years. In 1094 our expenditure stood at Rs. 1,61,30,229; in 1095 it shot up by Rs. 18 lakhs and over to Rs. 1,79,01,708; in 1096 it went up to Rs. 1,86,83,755; in 1097 it reached Rs. 1,92,35,524; the actual figures for 1098 are not yet available. In 1099, the demand is for Rs. 1,98,23,700. Let

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us also bear in mind that all this is recurring expenditure which has to be provided for.

What the State wants or what the people want is more and more money for development. The State has to support an already dense and growing population. Our schools and colleges are annually adding thousands to the army of unemployed consumers. Agriculture is our mainstay. The coast regions and the near hillsides have been worked out. The highlands form the only resource left. We, low-landers, grudge money for the opening of the highlands, not realising that the highlands have to feed the future generation. Facility of communication is the foundation of development. We want railways linking centres of trade with centres of produce. We want more and more roads. We want our great asset, the waterways of Travancore, to be improved and extended. We want our choked-up channels and rivers dredged up to their source. We want agricultural, technical and higher scientific education.

The problem is how to find the money without fresh taxation. The only solution is retrenchment. And the only subject—our over-manned and over-paid services. I know that the slightest reference to the emoluments of the service might cause rumblings and ebullitions. Every Travancorean realises in his heart of hearts that the service consumes 38 per cent. of the total revenues, *i. e.*, more money than it ought to. I said on the last occasion that, as at present, the State exists for the service and not the service for the State. Slackness of work necessitating more and more hands is another feature of our service. I do not refer to the responsible heads of departments assembled here. I believe all of them realise the evil and are combating it. But the current, by time and early neglect, has gathered accelerated power and has become too strong now. It is a well-known fact that the reward of slackness is an additional hand, of course temporary, but these temporaries have to keep up the arrears to justify their continuance. Places are created for individuals, and patronage and its disposal have been demoralising the service.

One might expect the commercial services at least to be free from this species of over-capitalisation. Let us take the Anchal Department. It is now working at a loss of over Rs. 50,000 a year. It was one of the earliest departments to be reorganised and has been treated with exceptional liberality. If such a business had been run by a private agency, the salaries would have been proportionate to the earnings. Even now, by standardisation of paper and forms, by leaving the department to buy its stationery and do its printing at the cheapest house, by lowering the grades of offices, and by converting offices which are not self-supporting into non-departmental experimental offices the deficit can be covered up.

The Government Press is easily the most uncommercial of the commercial services. We find a capital investment of Rs. 2,23,250 and a recurring expenditure of about Rs. 1,10,000 a year. We know that it works at enormous loss as the resultant rates are almost double the rates in private houses. As the accounts are mixed up with those of the Stationery Department and no balance sheet has ever been sought to be

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prepared, the extent of the losses is kept in "the secret recesses of the Government Secretariat", as Mr. George has admirably put it.

The Stationery Department is another that needs thorough overhauling. Stocks in hand at the end of the year have never been, if ever, taken.

MR. R. KRISHNA PILLAI (*Chief Secretary to Government*): The stocks are published every year in the Administration Report.

PRESIDENT: Mr. Krishna Pillai says that the stocks are published every year in the Administration Report. The quantity and the value of the stock ordered and the value of the stock in hand are published every year.

MR. S. KRISHNA AIYAR (*Mavelikara* cum *Kartikapalli*): On the other hand I used the words "at the end of the year", but not "at the beginning of the year".

PRESIDENT: The report deals with a definite year.

MR. S. KRISHNA AIYAR (*Mavelikara* cum *Kartikapalli*): The cost prices of the various articles should be published to enable the public to compare the figures with those in the open market. If an allotment is made in money to the various departments and each department is charged with the prices of stationery supplied, order may be evolved in a few years. Here also, standardisation might help considerably. The department might be put in charge of the Superintendent of the Press and a proportionate saving of salaries effected.

The Forest Department is a quasi-commercial department. The budget estimate of expenses for the coming year is Rs. 8,14,000 out of which Rs. 2,28,000 goes towards salaries and allowances. The major portion of this huge establishment is kept up for work outside the reserve areas. If all the timber outside the reserves be sold off, and isolated small forests (of which there are many) thrown open for registry, a large saving can be made in the annual recurring expenditure; and the surviving staff can concentrate on their real work of conservation and exploitation of the reserved forests.

In the Revenue Department, one division more can be abolished, Peishkars replaced by less costly officers in view of altered conditions, and the judicial separated entirely from the revenue side. In 1095, the Land Records establishment and the Revenue Survey Department were costing only Rs. 60,928. The proposed increase is Rs. 1,29,629. With a surveyor for each taluk, a head surveyor for each division, a small staff in the head office for checking, verification etc., the department should not cost more than Rs. 50,000 a year. For original work, private surveyors may be employed and paid at not more than Re. 1 per acre and the necessary chainmen engaged on the piece-work system.

These are but illustrations. Twenty minutes do not permit more.

PRESIDENT: Your twenty minutes are over.

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MR. S. KRISHNA AIYAR (*Mavelikara* cum *Kartikapalli*) With the permission of the President, I shall use another five minutes.

PRESIDENT: I am afraid I cannot allow you.

MR. N. PADMANABHA PILLAI (*Karunagapalli*): Sir, I am at one with the Financial Secretary to Government in thinking that the budget estimate presented to this House is unlike the previous ones. There are distinct signs of improvement in it and I am thankful to him and the Government for lightening the work of the members. I am sorry, however, that I cannot give him an unqualified support in everything that he says; and though he has my fullest sympathy I feel compelled to observe that the financial outlook is rather gloomy. I cannot help remarking that the financial position of the State as a whole appears to be unsound. The Financial Secretary characterises the policy of Government as "cautious and prudential". I regret that some reservation is necessary in accepting it. To begin with, a comparison is made between Travancore and outside countries and an inference is drawn therefrom that, in spite of the heavy strain and burdens incidental to the Great War affecting all of them alike, Travancore scored better than the others. The comparison is undoubtedly fallacious. For, while the Government of India and the Provincial Governments were directly concerned with the prosecution of the war and were therefore exposed to the duties and liabilities arising out of it, Travancore, remote from the scene of activities, had comparatively less difficulties to contend against. I grant it was a question of degree. But beyond that I feel unable to go. Even assuming that the conditions were all alike, I find I cannot possibly accept the statement that a balanced budget was maintained from year to year in Travancore without resort to new taxation.

PRESIDENT: Will you please read a bit slower so that members may follow?

MR. N. PADMANABHA PILLAI (*Karunagapalli*): The House is well aware of the introduction in recent years of such taxation by Government directly, and through local bodies, indirectly. The Financial Secretary appears to be happy over the avoidance of a deficit budget. I cannot admit that our financial condition is good merely because a small surplus has been somehow or other shown every year. To my mind, sound finance consists in meeting the normal expenses of a Government by a steadily progressive and reliable income.

Let me first consider the financial position of the State as a whole or—to be more specific—the assets and liabilities. If one were to go through the Administration Reports, one will find that the assets generally exceed the liabilities. But that apparent outlook is mysteriously presented. A deeper scrutiny should convince one that the soundness is artificial. The assets are generally shown at their face value without reference to their market rates. The liabilities on the other hand are not often fully stated. Non-current coins kept in reserve are generally shown at their face value in the cash balance and the outstanding liabilities in the shape of arrears are often omitted.

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MR. K. GEORGE (*Financial Secretary to Government*): That is not so.

MR. N. PADMANABHA PILLAI (*Karunagcpalli*): The arrears due to the stationery contractors were not till recently shown among the liabilities, and the unpaid interest on the Travancore Debenture Bonds has not been specifically stated, Similarly, provision for refund of income-tax in pending cases has not been made.

The Finance Member points out that the current year would end with a surplus. All of us are aware that, but for the acknowledged windfall of the salt duty and the unaccountable decrease in the P. W. D. expenses, the balance would have been on the wrong side. Coming to the next year, Mr. George anticipates a surplus of Rs. 2 lakhs; and for that purpose he has laid undue hopes on land, forest, excise etc. We have seen that his anticipations in the same direction this time last year have totally failed. It is calculated that the salt duty at the enhanced rate would bring in Rs. 7 lakhs for the first 6½ months of the next year; but that estimate can be found to be inaccurate from his own admission that the same duty contributed only Rs. 4¾ lakhs during the last 5½ months of the current year. Even if this increase is proved to be correct, I cannot see the wisdom of throwing such casual income into the general revenues of the State. The salt duty is contributed mainly by the poor of the State; and as such one would expect that the Government would have earmarked this revenue for some purpose that directly benefited them. There has been failure of crops in several parts of the State for the last few years due to unseasonal rains, and the allotment of this amount for some irrigational purpose would have been only in place. Another measure adopted to secure this budget surplus is the curtailment of the annual contribution towards the sinking fund for the Quilon-Shencottah railway debenture loan. The handling of the sinking fund so far has been not quite satisfactory and I am glad to find that the present Government has now started to put matters right. It is, however, doubtful whether this curtailment is in the right line. Calculation obviously has been made to meet a fixed capital expenditure falling due at a later time. Our experience so far has been that the said capital outlay tends steadily to increase. Provision has also to be made to meet such possible future increases. Recourse is further made to withhold the grants to local bodies. The policy underlying this procedure is, to my mind, inexplicable. Even supposing that the local bodies should be made self-supporting as far as possible, I do not think that the absolute withholding of Government grant can be justified. The people of the towns are contributing to the general revenues of the State in the same way as those outside, and as such they have a right to expect the same privileges at the hands of Government. At all events I cannot see the justification for the special treatment accorded to the Trivandrum Municipality. The usual grant is retained in its case and several other

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provisions are also seen in the budget for that purpose. If proper adjustments are made in the light of these criticisms, it can easily be seen that the so-called surplus budget presented now transforms itself into a deficit one.

The finances of the State would have been something different now if the departments concerned had gone about their work in a really prudential and cautious manner. If they had done so, the revenues of the State would have been considerably greater and that from steady sources. We have a railway from Quilon to Shencottah on account of which there is a capital liability of over Rs. 132 lakhs. This is besides the enormous sum that the State has been paying annually to make up the guaranteed interest. The working expenses on the railway have been going up by leaps and bounds; but that being an excluded subject I do not wish to enter into details here. The original liability stood at nearly Rs. 117 lakhs which went up to Rs. 132 lakhs in 1097. This increase is said to be due to the purchase of rolling stock to the extent of Rs $13\frac{3}{4}$ lakhs in that year. One fails to see why in that particular year such an enormous amount was spent for the purpose when the depreciation fund should have been available to the company.

Again, the debentures were originally issued at $3\frac{1}{2}$ per cent; but the rates seem to have been increased subsequently, the justification for which one cannot fathom. Mr. George told us a few months ago that the loans as they fell due had to be renewed at a higher rate than what then prevailed in the English market and that this renewal at the enhanced rate had not the assent of this State. The Financial Secretary in his budget speech last year also stated that we have no means of exercising any control over either the working expenses or the interest charges. This is indeed a deplorable position. In the circumstances, the taxpayers have a right to enquire how it is that the Government have no means of control, and the Government ought to relieve them of their anxiety by the publication of all the facts. It is highly satisfactory to see that the attention of the present Government has been drawn to the matter. Hope is expressed that a portion of the debentures falling due in August next will be renewed at easier terms of interest and that the sum of about Rs. $\frac{1}{2}$ lakh due to this State for the years 1919 and 1920 has now been detected and credited.

Sir, I have not so far come across a contract which precludes a party from paying his debt before a fixed date and at the same time penalises him for not paying it sooner. Our case appears to be one of that sort. On the one hand, it is stated that we cannot redeem this liability before the year 1945, while on the other it is said that the loans had to be renewed at higher rates of interest before they actually fell due. The two things are inconsistent and demand a clear statement. To my mind, this State is bound to pay interest at $3\frac{1}{2}$ per cent. only and the excess paid above that rate is over-payment. Rs. 76 lakhs out of the capital liability is said to represent advances made by the Secretary of State for India. The Administration Report for the year 1085 states that the advance made by the Secretary of State till then amounted to

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only Rs. 1,14,716. How this rose to Rs. 76 lakhs to-day is beyond my comprehension.

MR. K. GEORGE (*Financial Secretary to Government*): Sir, I wish to make a correction. When the advances made by the Secretary of State increased to Rs. 76 lakhs, there was a corresponding reduction under debentures, excepting of course for the rolling stock.

MR. N. PADMANABHA PILLAI (*Karunagapalli*): This is the position that we are in now in this matter. I am extremely sorry that an excellent opportunity that arose in 1919 to wipe off all this burden with about a quarter of that amount when the securities fell in value and when the rate of exchange rose in our favour, was not availed of. I think that the Finance Department could have got out of this trouble by purchasing those securities in the open market at that time and becoming the holders thereof. We could have thus redeemed the liability with a comparatively small sum and all the interest that we would have been asked to pay would have come back to us. The Finance Member last year said that he had no information as to the fall in the price of the security, but later explained that he tried to get back the bond but dropped the matter because the Railway Company advised him to do so. Lack of funds is also pleaded as a cause for the non-redemption of the bonds; but the House must remember that, in the years 1092 and 1093 the State made investments in the Government of India securities to the extent of Rs. 25 lakhs. It does not also appear that this exceptional opportunity was brought to the notice of the people. Even now, a sort of disinclination on the part of the Government is noticeable in the matter of purchasing those securities in open market. The sinking funds are all invested. A portion of the security is to come up for renewal in August next and the Financial Secretary hopes to renew it at $4\frac{1}{2}$ per cent. The loans recently raised by the Government of India carry a higher rate of interest and I cannot see how we are going to have easier terms. It has also to be noted that the nearer we approach the time of maturity the higher will be the value of the securities.

The above remarks that I have made would convince the House that the financial position of the State is not anything as sound as it is made out to be. The increasing expenditure of the State must be met by reliable and steady incomes and the Government must be on the look-out for the sources thereof. The one main source is the customs revenue. All possible efforts must be made to secure the maximum benefit from that source of revenue. The Interportal Convention is referred to as a stumbling block in the path of the development of customs revenue and several members on this side of the House have already pleaded for its modification. Apart from the question of a modification of the Convention, there is no shadow of doubt that both the Government and the mercantile community stand to gain by the direct importation to the Travancore ports of goods that are consumed within this

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State. Already, there is an awakening amongst our mercantile community for this purpose. Organised effort is necessary for which the Government must co-operate with the people. A well-established Chamber of Commerce of the merchants of the State is the imperative need of the situation and the Government should encourage the formation of such a body by the offer of sufficient and timely help, pecuniary and otherwise.

It is very gratifying to note that the Government are not slow in materialising the scheme for a State-aided bank. An institution of that nature will, judging from the experience of Mysore and Baroda, help the development of credit and the supply of cheap money so much so that the internal and external trade will rapidly develop. But, for such development, the bank must possess sufficient resources. For this, apart from the Government support, popular support is also necessary. People cannot do this unless there is sufficient movement of money in the land. The Financial Secretary states that the money market here is tight. The report of the Registrar of Joint Stock Companies shows that even the banks charge exorbitant rate of interest. This state of affairs is, to my mind, mainly due to the regular drain of money from the State through different channels. The Government must help the creation of conditions which would prevent this outflow. There are, I am told, about forty life insurance companies registered outside Travancore carrying away large sums of money yearly from here as premium. If the State Life Insurance scheme is properly organised and developed and thrown open to the public, this drain can, to some extent, be prevented.

MR. K. DOMINIC TOMMAN (*Peermade cum Devicolam*): Sir the Government and this Council are at one in exploring all possible avenues for effecting retrenchments in expenditure wherever this can be done without affecting the efficiency of the public service. Therefore I beg to invite the attention of this Council to a suggestion by giving effect to which this object can be attained to a certain extent. The taluks of Devicolam and Peermade, as you are aware, form a separate administrative division with a Dewan Peishkar and District Magistrate, a Division Assistant and two Tahsildars. I hope to show this is altogether unnecessary and avoidable. The taluk of Peermade till this year contained 11 *pakuthies*. The more populous western *pakuthies*, five in number, *viz.*, Kanjirapalli North and South, Manimala, Cheruvalli and Chirakkadavu have now been incorporated in the Changanachery taluk. The jurisdiction over Poonjar has been transferred from the Peermade to the Minachil taluk so that there remain now under the Peermade taluk only the *pakuthies* of Peruvantanam, Peermade, Periyar, Mlappara and Vandanmetu. Of these, Peruvantanam belongs to the Vanjipuzha Chief; practically the whole of the area comprised in the Mlappara *pakuthi* is reserved forest; the opened-up area of Vandanmetu is planted with cardamom, and the *pakuthies* of Peermade and Periyar with tea. It will thus be seen that the opened-up area of the taluk, even originally very much circumscribed and now further reduced by the



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removal of all the populous *pakuthies*, is inhabited only by a few planters and their employees. A Tahsildar with First class Magistrate's powers (as he is empowered at present) is more than ample for all reasonable purposes. Now that there is regular motor bus communication between Kottayam and Peermade, the distance between the two places can be covered in four hours even by a cooly. Under such circumstances, it is not too much to express the hope that the Peermade Division Assistant's place may be abolished and that the taluk may be placed under the jurisdiction of the Dewan Peishkar and District Magistrate of Kottayam. This will mean a monthly saving of between Rs. 700 and Rs. 1,000.

Similarly with regard to Devicolam, which comprises nearly 625 square miles. Out of this area, 217 square miles are enjoyed by the Kannan Devan Hills Produce Company, with practically sovereign powers. The remaining portion of the taluk consists mainly of reserved forest and useless grass lands and a few cardamom estates belonging mainly to the people of the neighbouring British District. Those who are familiar with the place have always been at a loss to know why an officer of the status of a Dewan Peishkar and District Magistrate is posted there. A Division Assistant who, it may be conceded, should be a European, and the existing Munsiff-Magistrate and Tahsildar will be quite able to cope with all possible kinds of work that can arise there under any conceivable circumstances. The Commissioner of Devicolam who exercises the powers of a Dewan Peishkar over the Devicolam and Peermade taluks finds that the easiest and shortest route for him to reach Peermade is *via* Kotamangalam and Kottayam. The construction of a direct road connecting Peermade and Devicolam will be so difficult that it cannot materialise in the near future. For a small bit of road at the Devicolam end, which the European planters constructed mainly for their own purpose, our Government have undertaken to reimburse the planters the whole cost of about Rs. 3 lakhs in ten yearly instalments and this liability of our Government has not yet been liquidated. Therefore, for several years to come, it will be impossible for the Commissioner of Devicolam to reach Peermade except by the roundabout route above indicated. After all, there is very little work in either of these taluks which necessitates the presence of a Dewan Peishkar and District Magistrate, and what little work there is of this nature could without the least inconvenience to anybody be easily performed by the Dewan Peishkar and District Magistrate of Kottayam. These charges will mean a *net* annual saving of nearly Rs. 25,000 and ought not to cause any inconvenience to anybody.

Another subject which I would crave leave to call attention to, is the supreme necessity for a far-sighted policy in dealing with the highlands of Travancore, comprised in the two taluks of Peermade and Devicolam. As is well known, 217 square miles of it have been long ago assigned in one block to one European planting company. Another area

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of 232 square miles has been practically alienated as catchment area for the Periyar lake. Extensive areas in other parts have been planted with rubber and tea by European capitalists. During the past two or three years, there has been some falling off in the demand for more lands in this locality. Now that the prices of rubber and tea have again gone up, the Financial Secretary hopes that the demand will again become brisk. If this process is allowed to take its course without any let or hindrance, one does not need any prophetic vision to assert with confidence that, in a few years' time, every inch of ground fit for plantation purposes will become the property of foreign capitalists. Land fit for human occupation is the most precious asset of a country—an asset which has to be safeguarded with extreme solicitude for the use of the present and future generations of the sons of the soil. In the United States which still contains millions of square miles of unoccupied lands, the Government have laid down a policy of the most rigorous conservation of the land resources of the country. Not only are the aliens who have no intention of becoming permanent citizens of the country prevented from owning any land in the country; not only are the citizens of the country not given more than 160 acres each, but active recourses are in contemplation for breaking up large estates which have long been in the possession of various people. Again, we know the policy which has been laid down for Kenya. 11,000 square miles of the highlands of the country have been set apart for less than 10,000 white settlers in the land. The ostensible ground for this policy is that the coloured races with their low economic standards if allowed unrestricted freedom with white men, will oust the latter from all desirable places in the country.

PRESIDENT: You should not deal with foreign politics here.

Mr. K. DOMINIC TOMMAN (*Peermade* cum *Devicolam*): I only gave an instance of what other people are doing. Now look at the position in Travancore. The people of this country when compared with European planters are absolutely insignificant in the matter of material resources. If our land is thrown open under such circumstances to all comers, the result is a foregone conclusion.

The population of Travancore according to the latest census is about 45 lakhs. The normal increase of population during each decade has been at the rate of about 17 per cent. If this increase is maintained, the time is not far distant when the people of this country will have no elbow-room. We have no colonies to plant our surplus population. Government is finding fault with the Revenue Department when the income from the sale of land shows any sign of diminution. Thus pressure is applied from both sides to exhaust the few thousand acres of unoccupied land which the country still owns. The British Empire contains no end of the best land in various parts of the world. If it is pointed out to them that what little land remains in this country ought to be conserved for the natural growth of our own population, surely the noble British Nation and Government will not take umbrage; nor will they misinterpret our motives. It has always been a surprise to

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me why neither our Government nor the leaders of public opinion in the country take a long view of this vital question.

On the other hand, our Government, while placing no limit to the extent of land that a planter can obtain in one block, has laid down that in assigning *puduval* lands, no one single individual should be given more than a few acres. The rules about timber value, etc., have also been so framed that it has become almost impossible for Travancoreans to secure even small bits of land. I trust that this subject will receive the earnest and immediate consideration of Government.

MR. T. K. VELU PILLAI (*Trivandrum cum Nedumangad*): Sir, the Financial Secretary has in his speech indicated the main lines of policy followed in the matter of collecting and spending the revenues; and he has also assured the House that the present year will be a successful financial year. No doubt, although there was a good deal of difficulty in realising the anticipations of the previous year, the action of the Government of India has given us a considerable sum of money by way of salt duty. I do not at all agree with the Financial Secretary in the opinion that that amount has been obtained by us without taxation. We got it by taxing a necessary of life. There is also the further fact that the taxing was done not by us but by the Imperial Government.

The financial statement, Sir, is not the place for the display of any sudden originality. I can very well understand the difficulty that financial officers find in putting their figures in a new form as each year opens out and the discharge of their onerous duties becomes imminent. I think that, of all the financiers in the Indian states, our Financial Secretary, Mr. George, is the person who indulges least in rhetorical devices. This year, however, he has put his point of view in a humorous fashion. I do not attach very great importance to the following sentence in Mr. George's speech : —

"Sir, it is a criticism commonly levelled against all budget-makers that by some mysterious sleight of hand they disguise rather than disclose the real state of a country's finance and that budgets as a rule serve only to bewilder and confuse the unwary public."

I do not attach any great importance to that sentence and I should not interpret it in the way it has been interpreted. It was only a method of stating the case in which possibly a man endowed with a sense of humour has given some vent to that propensity. (*Laughter*). In the same manner is the sentence that has been adverted to by Mr. G. Parameswaran Pillai :—

"The budget that I now present to the House is not a document mysteriously hatched in the secret recesses of the Government Secretariat but is one in the production of which both the Government and the representatives of this Council jointly laboured".

That again, Sir, is only a humorous piece of exposition. I do not think that the Financial Secretary means that all of us are going to take him

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seriously and argue that he imported into it all the meaning implied in the words. The statement that the budget has been prepared by the joint labour of the Government and the representatives of this Council is only partly true. No doubt, on account of the difference between the votable and the non-votable items and also on account of the difficulties of balancing the budget and also in view of the G. O. appointing the Standing Finance Committee, it was not possible for Government to take action on suggestions made by the non-official members who represented this Council on the Standing Finance Committee. Sir, I am one of those who have always advocated that larger powers should be given to the Legislative Council, and urged that the representatives of the people should have a potent voice in the administration of the affairs of this country. But in the nature of the language used in the Government Proceedings appointing the committee, I do not think that I shall be justified in saying that the non-official members of the Finance Committee have the power to initiate any measure which involves an expenditure of funds.

I brought a book this morning for another purpose; but on hearing Mr. G. Paramesvaran Pillai, I turned over the book and tried to remember what I had once learnt. I am referring to the *Government of England* by A. Lawrence Lowell, an authoritative book on politics:

"The procedure————"

MR. G. PARAMESVARAN PILLAI (*Neyyattinkara*): May I know which procedure it is? Is it the procedure in the House of Commons or in any committee that is referred to in the quotation?

MR. T. K. VELU PILLAI (*Trivandrum* cum *Nedumangad*): It details the procedure in the House of Commons.

"The procedure in the case of financial measures differs in important respects from that followed in passing other bills. It will be remembered that, with some exceptions already described, all the national revenues are first paid into the Consolidated Fund, and then drawn out of it to meet the expenditures of the Government. The financial work of Parliament, like that of the administration, turns, therefore, upon the processes of getting money into and out of that fund. The second process comes first in the order of parliamentary business, and its nature is fixed by two standing orders which date from the early years of the eighteenth century. One of them, adopted in 1707, provides that the House will not proceed upon any petition or motion for granting money but in the committee of the whole House; and the other that it will not receive any petition, or proceed upon any motion, for a grant or charge upon the public revenue unless recommended from the Crown.

This last rule, first adopted by a resolution in 1706, and made a standing order in 1713, was designed to prevent improvident expenditure on private initiative. It has proved not only an invaluable protection to the Treasury, but a bulwark for the authority of the ministry".

Sir, as the learned author observes, it is one of the bulwarks against usurpation of the power of appropriating money for public expenditure by those who are not in office. I am certainly alive to the position and may say that, following the wise rule followed by His Highness the Maha Raja in giving us greater and greater powers, if there is a ministry created which will be responsible to this House, nobody in this House will be gladder than I am. But, if you recognise the difference between

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official and non-official views, you must look to the official for initiating measures and to the non-officials for the power of effectively criticising and watching the administration. I cannot subscribe to the position that at present your humble representatives on the Standing Finance Committee have got a right to initiate the financial policy of this State ; and I would even go to the extent of saying that the Government itself will become unworkable. I should, therefore, say with due respect to my learned friend that, although he spoke on behalf of the members of the Standing Finance Committee, on this question of constitutional importance I beg to take a view different from his.

MR. G. PARAMESVARAN PILLAI (*Neyyattinkara*): Sir, I rise to a point of personal explanation. I never wanted any member of the Standing Finance Committee as such to take any initiative in regard to fresh schemes, because as a committee they have no constitutional existence. My only point was that the members of the committee should be given the option of initiating new schemes for the consideration of Government and of making suggestions to improve our revenue resources and to effect such retrenchments in the public service as may appear to them desirable. As the G. O. stands, *only such matters as are referred to it by the Government* may be considered by the committee. I went a step further and urged that the members of the committee should also possess the power of taking the initiative and suggesting further matters to be taken up for consideration. The difficulty pointed out by my friend does not really arise. I am quite aware of the fact that the Finance Committee is not a statutory body; nor has the non-official side of this House any power of appropriation of revenues on its own initiative.

MR. K. P. RAMAN PILLAI (*Quilon*): May I know from Mr. G. Paramesvaran Pillai—

PRESIDENT: You cannot ask Mr. G. Paramesvaran Pillai for an explanation because he is explaining to another who is in possession of the House.

MR. T. K. VELU PILLAI (*Trivandrum* cum *Nedumangad*): The impression made upon my mind by Mr. G. Paramesvaran Pillai by his speech, which fortunately happens to be in writing, was of the nature that I described to this House. It is for the House to understand it in the proper manner.

MR. G. PARAMESVARAN PILLAI (*Neyyattinkara*): I wish to know from Mr. Velu Pillai, during how many meetings of the Finance Committee he was present.

PRESIDENT: Mr. Paramesvaran Pillai, I think it does not arise here. (*Laughter.*)

MR. T. K. VELU PILLAI (*Trivandrum* cum *Nedummgad*): If you permit me, I am prepared to answer him.

PRESIDENT: I have already ruled that it does not arise here. (*Laughter.*)

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MR. T. K. VELU PILLAI (*Trivandrum* cum *Nedumangad*): I protest against such insinuating questions. I am very sorry that there should be a tussle between two of the members of the Finance Committee. There is no use whatever in encouraging the idea that the committee possesses more power than they actually possess under the constitution. I am thankful to the members of this House for electing to the standing Finance Committee and honouring me with the largest number of votes. But I would rather resign my seat on the committee than accept the position that the non-official members of the committee do possess the power of initiating expenditure. I am surely in favour of larger rights being conferred upon the Finance Committee but not in regard to the power of initiating measures which affect the finances. I have mentioned this in order to explain the position which was not clearly perceived by some of the members. I beg to be excused for taking up a portion of the valuable time of the Council for this purpose.

As to the points that have been raised with regard to the budget itself, I wish to associate myself with the previous speakers in observing that the money obtained by the sale of *puduvals* is no revenue. It is only the price of lands sold, money realised by selling inert, immovable land, in order to convert it into the shape of the circulating rupee. That is not a wise financial policy. In the same manner, it grieves me to find the Financial Secretary distantly hinting that the increase in the abkari revenue is a matter for some kind of satisfaction.

PRESIDENT: I do not think he ever said that.

MR. T. K. VELU PILLAI (*Trivandrum* cum *Nedumangad*): I said he only hinted. (*Laughter.*) It is to him a matter for satisfaction that certain shops were resold. What had been predicted to be a deficit has come to be a surplus. That view, Sir, has been expressed by one of the most cautious officers in the service. (*Laughter.*) Therefore I am in order when I take advantage of the vagueness in which the matter is expressed. I shall be very sorry indeed if the Government believe that this is a sound policy.

One further matter I wish to mention is that the Forest revenue has been steadily decreasing. I am not in favour of thinking that forests exist in order that they may be merely conserved. It is a commercial department and it is the opinion of the greatest economists of the day that forests should be the means of giving revenue to the State; and the Travancore forests are magnificent forests. In spite of the carelessness with which our forests have been worked during several years past, they continue to be good; and if, as the Conservator says, he is not able to compete with Burmese merchants in the sale of teak, it is really because the Travancore Government has been raising the tariff value on teak unnecessarily and to the utter detriment of Travancoreans with the result that a teak scantling is very difficult to obtain. But I am not so conversant with the technique of timber sales as my friend the Conservator.

Regarding the expenditure, Sir, one point I wish to concentrate my attention upon is that the Government have been spending heaps of

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money in paying the salaries and allowances of officers. Sometimes, honorary officers are given honoraria and the posts indirectly converted into salaried appointments. As I observed on a previous occasion in this House, when one man is appointed as President of the Text Book Committee he is given an allowance; but when another succeeds he is not. The Secretary to the Public Library, the Director of the Museum and Public Gardens, each gets a monthly allowance. Other non-official secretaries who do equally difficult work do not get any. I have no complaint against persons getting money for their work. But the present system will lead to nepotism and will induce people to go and ask for so-called 'honorary' work in particular departments; and after some time they will be justified in asking for an honorarium for honorary work. I have got several years' accounts in my possession, and I find therefrom that, during all these years, the amount spent on salaries, allowances and contingencies has been increasing by leaps and bounds. All this is due to the circumstance that when schemes are submitted before Government by the heads of departments, the representatives of the people are not taken into confidence. Take any reorganisation or counter-reorganisation—

PRESIDENT: You have got only a minute more, Mr. Velu Pillai.

MR. T. K. VELU PILLAI (*Trivandrum cum Nedumangad*): I am sorry, Sir. I protest against the creation of new appointments and the lavishing of money upon these officers. With your permission, I wish to read a passage which will be certainly interesting and surely instructive. I beg your indulgence to allow the House to listen to it. I am also reading it with a useful purpose whatever may be the difficulties in effecting retrenchments in this matter at once. The passage is from Burke.

"The private enemies to be made in all attempts of this kind are so innumerable, and their enmity will be the more bitter, and the more dangerous too, because a sense of dignity will oblige them to conceal the cause of their resentment. Very few men of great families and extensive connections but will feel the smart of a cutting reform, in some close relation, some bosom friend, some pleasant acquaintance, some dear, protected dependant. Emolument is taken from some; patronage from others; objects of pursuit from all. Men forced into an involuntary independence will abhor the authors of a blessing which in their eyes has so very near a resemblance to a curse. When officers are removed and the offices remain, you may set the gratitude of some against the anger of others; you may oppose the friends you oblige against the enemies you provoke. But services of the present sort create no attachments. The individual good felt in a public benefit is comparatively so small, comes round through such an involved labyrinth of intricate and tedious revolutions, whilst a present personal detriment is so heavy, where it falls, and so instant in its operation that the cold commendation of a public advantage never was and never will be a match for the sensibility of a private loss; and you may depend upon it, Sir, that when many people have an interest in railing, sooner or later, they will bring a considerable degree of unpopularity upon any measure. So that, for the present at least, the reformation will operate against the reformers and revenge will produce all the effects of corruption."

I have almost finished, Sir. I am sure, that the present administration will have the strength to override such difficulties. And I am

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sure that in the near future the Government will be able to see that the number of these officers and their salaries are not unnecessarily raised. I am certainly not against giving higher salaries to deserving men, but I do not want so many officers as we now have.

MR. PAUL V. DANIEL (*Agastisvaram*): Sir, at the outset, I have to congratulate the Government on the circumstance that it has been possible to frame the budget for the coming year without having either to resort to new taxation or to make any material reduction in the normal expenditure. I feel bound to reiterate here what has been said by the Dewan in the Address to the Members of the Sri Mulam Popular Assembly, on the 12th March 1923:

"It is a matter for gratification that Travancore has been able to emerge with such small deficits out of a period of universal economic crisis of an unprecedented magnitude in which almost every country in the world, including the various component parts of the Indian Empire, has had to budget for huge deficits."

I have also to congratulate the Financial Secretary and the members of the newly formed Finance Committee on the clearness and completeness with which the budget has been prepared.

The present budget session is, in one particular, different from the session that went before this. The fact that the learned members of the Finance Committee have, as the Financial Secretary mentioned in his speech, carefully and exhaustively scrutinised the whole budget should save much discussion and friction this session. It is gratifying to find that the view of Mr. George expressed in his last budget speech, that our financial outlook was not a gloomy one, has been confirmed by the present budget, and let us hope with him that "we have passed the period of acute depression and that more hopeful and prosperous times are in store for us".

The year opened with the usual anxiety of the Government to balance the budgeted receipts and expenditure—receipts which have swelled to the maximum limit of the taxable capacity of the burdened agriculturist and expenditure which in spite of stringent retrenchment had been kept at a high level due to the ever-growing demands of a progressive and efficient administration. But the Government have unexpectedly secured a large increase of money in their exchequer for which they are in no way responsible. The position of the governed in the increase of salt duty is indeed peculiar. The Government are not responsible for the doubling of salt duty. None the less, the heavily taxed Travancoreans, rich and poor, have to bear the burden of this increase of salt duty in the sanctioning of which they had no representation or voice. If convention requires that this should be imposed on Travancoreans as well, the Travancore Government owe, I believe, a duty to the Travancoreans on whom this double salt duty has been imposed. The Government ought to render pecuniary help to the people in every way possible. I shall be failing in my duty if I do not mention here that the Government are indeed conscious of this. Much help has been already given to the poor by way of fee concessions



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and by way of allotments made for the sinking of wells and opening of approach roads. My earnest prayer is that something more should be done to compensate the people for this increase of salt duty. The position will be easily solved by helping temperance, by the closing of a certain number of arrack shops or by reducing some other items which heavily bear upon the people, at least as long as this double salt duty prevails. A spirit of charity and justice requires this when an unexpected impost like this is unfortunately put on the people.

I am particularly grateful to the Government for the recent change made in the school-fee concessions to the depressed and backward classes in the State and to converts from those classes. (*Hear, hear.*) It has been said that this "school-fee concession policy has been based on a caste or communal basis and as such cannot be embraced with unmingled delight especially at this time when, in all civilised countries, attempts are being made towards the fusion of the various castes or classes". But, on a careful consideration, one would find that this concession has been given to certain communities, not only because they are backward in education but also on account of their general poverty. But, however, as there is insurmountable difficulty and delicacy in declaring the caste of certain poor children whose parents are of different castes or the caste of whose parents is not known, and as there is a considerable number of poor children even among the Nairs and Brahmins, it is but just that this concession should be given on the basis of poverty as well and not on birth alone. (*Hear, hear.*) I further strongly request the Government to extend the fee concession to the students of backward and depressed classes of all castes and creeds studying in the colleges as it is already done in the case of Mahomedans, since this would really serve to lift them in the social scale.

The arrangements made as a consequence of the Devaswom separation and the re-distribution of revenue and magisterial charges have now been working for the last one year and I think the Government should examine whether retrenchment is anywhere possible. As regards retrenchment I quite remember what has been said by the Head of the Administration on more than one occasion:

> "So far as retrenchment is concerned, I may point out that the State has, of late, been steadily extending its nation-building activities, and it would not be wise to circumscribe them now. Retrenchment at any price is not a sound financial policy and there is a limit beyond which it may well cease to be economical and may lead to undesirable results".

This is what you, Sir, observed recently. The learned Revenue Commissioner may be asked to take up the question and examine the working of the new taluk offices. In this connection, I may also say a word or two in respect of a system of administration which I appreciate very much. We have at present, Munsiff-Magistrates at Shencotta, Kanjirapalli and Devicolam. There is the likelihood of a Munsiff-Magistrate being posted at Nedumangad also. The advantage of the system is obvious, for there are greater chances of criminal justice being administered by persons with a better judicial frame of mind. The

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system may with advantage be introduced in other places where there are Additional Civil Courts and in places where Tahsildars are also exercising magisterial powers at present. My opinion is that thereby we can secure better administration of justice and also economise by combining certain taluks and placing them under a single revenue officer. If, due to such taluk amalgamation, the jurisdiction becomes somewhat unwieldy and extensive, Government may be pleased to give the Tahsildars in charge of such taluks some relief by giving them Assistant Tahsildars to co-operate with them in executive work, as the Division Peishkars are now given Division Assistants to help them in the *Jamabandi* work. The system will have the advantage of giving the superior officer the necessary help while affording adequate training to the subordinate officer who may, in course of time, be called upon to discharge these responsibilities in more extensive areas. I am of opinion that in some such way the staff of the Land Revenue Department may be reorganised and the subordinate administration remodelled.

Another subject of great importance is the pay and prospects of Magistrates, a subject to which I referred in my last budget speech as well. The pay of these Magistrates was fixed on the recommendation of the Efficiency Audit Officer. I must say that the latter, with all his liberality in recommending proper salaries to some grades of officers, was hardly fair to the Magistrates. Before the reorganisation, they were getting Rs. 100 to Rs. 120 per mensem, a scale which was higher than that of the Excise Inspectors, Sub-Registrars and Forest Range officers, at that time. Now, the pay of the Magistrates is fixed at Rs. 125 which is also the maximum pay of Excise Inspectors, Sub-Registrars and Forest Range officers. This is hardly just to an important branch of the judicial service. Their pay ought to be in keeping with the responsibilities and dignity of the place. Their pay should therefore be fixed at least at the scale allowed to Secretariat Superintendents, *viz.*, Rs. 140 to Rs. 175 per mensem. In this connection, let me say that, as the policy now adopted by Government is to separate as far as possible the magisterial functions from the revenue officers, if a fair proportion of the recruitment of the Magistrates is made from the Bar, I am sure we shall soon have a better class of independent and able Magistrates. I hope the learned members of this Council will support me in this aspect of the question to which I had occasion to invite the attention of the Government more than once.

In the budgeted allotment for education, I submit that more provision may be made for libraries and reading rooms. I have had occasion to observe the spirit of earnestness and enthusiasm for the development of libraries and reading rooms at the South Travancore Libraries Conference held at Nagercoil in Makaram last. A certain number of resolutions were passed indicating the lines of patronage sought for from Government and they were forwarded to the Government. I can submit that considerable dissatisfaction prevails because of the smallness of the sums doled out to reading rooms as grants. Any one who has observed the working of these institutions would admit that the

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grants now given are inadequate. To meet the demands of a larger number of such libraries year after year and the increasing demands of existing libraries due to their development and progress from time to time, it is incumbent upon the Government to allot increased grants as the times change for the better for them.

I now come to the question of allotments made for the depressed communities of the south. It is a matter for congratulation that a sum of Rs. 1,300 has been allotted for the sinking of wells and a sum of Rs. 3,000 for opening approach roads in the depressed classes centres of Nanjanad and Edanad. From a recent Government order it is seen that the sum of Rs. 1,300 will be distributed for sinking 13 wells at the rate of Rs. 100 for each well. My humble representation on behalf of the depressed classes, whose elevation must be the paramount consideration of a benign Government, is that the amount sanctioned is inadequate. There are numerous centres where adequate water-supply is a badly felt want; and it is necessary as a first step that at least 30 wells should be sunk in important places in Nanjanad and Edanad. As regards the amount sanctioned for each well, *viz.*, Rs. 100, it may be pointed out that it is also very insufficient. It is not possible, in some centres, in Edanad especially, to dig a well and do all the masonry work connected therewith for anything less than Rs. 300 to Rs. 400. On an average, a sum of at least Rs. 200 should be set apart for each well and the allotment for 13 wells should therefore be increased to a sum of Rs. 2,600. In discussing the budget estimate for two crores and odd rupees, it may not after all look very ennobling to plead for such small allotments under what might probably be considered unimportant items. But I beg to submit that the depressed classes have like Oliver Twist in the story, to repeat, "Please, Sir, I want some more". To these poor men the sympathy of Government will be a boon and an asset of real significance. I sincerely trust that the members of this Council will join with me in requesting the Government for an additional sum of at least Rs 1,300 under this head. That will be real charity indeed; and it behoves us to exercise some attention for the sake of these people whose humble lot must doubtless appeal to all.

The second item regarding the depressed classes is the opening of approach roads to their quarters. The subject has been represented to the Government on a number of occasions. Many approach roads have been sanctioned but the number actually opened has been only a few, much to the regret of this community. Government have now agreed to open the roads if the earth work is done by the members of those communities concerned. May I submit that it is really the earth work connected therewith that forms the bulk of the work? The depressed classes earn their livelihood by working in the fields from morning till evening and the reward they get is just enough for their daily maintenance. Under such circumstances, it is not fair to ask the poor Sambavars to do the earth work. The concession granted is

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inadequate and I request that at least 50 per cent. of the cost of the earth work be given them.

I am sorry that no adequate or encouraging provision is made for the extension of the railway to the south. The Government are aware of the importance of this railway line and the positive income the State could derive from it. The Government have notified that the reconnaisance survey has begun. No definite information is forthcoming about its progress or completion. I need not say that this is a subject on which there is considerable feeling in South Travancore. I believe the Government will be only doing the needful if they let the people know more of it and expedite the work, at an early date, by making adequate allotments. What a blessing it would be to Travancore if the Railway line could, in the near future, be opened right through the centre of Travancore from the extreme south to the extreme north!

The allotment made for the construction of the Higher Grade English School for Boys, Nagercoil, is not adequate. It was about eleven years ago, in the year 1912, that it was found that the present school-building together with the site on which it stands was insanitary and unfit owing to the rapid growth of the town. The construction of the school was started in the year 1914 and it lingers on till now. Even the whole of the allotment made last year has not been spent as it is said that it is due to certain technical difficulties. The allotment for the year 1097 was Rs. 50,000 and for the year 1098 Rs. 30,000, but the allotment for the coming year is only Rs. 20,000. This is not sufficient. The defect which was meant to be rectified grows worse and worse with the growth of the town, and the health of the children is affected thereby. I request therefore that arrangements be made to complete the school as soon as possible.

One other point which I wish to bring before this House is the provision made in the budget for appointing an Assistant to the Head Translator. I need not mention here the importance the Government has to attach to Tamil and the Tamil-speaking population of this State. My prayer is that this officer be a qualified Tamil scholar.

I have to be grateful to the Government for sanctioning the construction of a labour ward in the District Hospital, Nagercoil—a want that has been seriously felt by us for a very long time. The citizens of Nagercoil being conscious of their obligation in this matter have already agitated through the Municipal Council to make sufficient provision for the upkeep and maintenance of a certain number of beds in the ward. I request the Government to construct this ward as soon as possible and also to appoint a lady doctor to this hospital as prayed for by us on several occasions.

It is not possible for me to describe the loss sustained and the difficulty experienced by the landholders at the tail end of the area commanded by the Kodayar channels. I am sincerely thankful to the Government for the steps they have kindly taken to remedy the grievances of these landholders. I fully trust that the schemes submitted by the special officer for the opening of distributary channels in the upper reaches

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of the commanded area and for the utilisation of the surplus and seepage water for the benefit of lands at the tail end, will, as soon as possible, be investigated and measures devised for utilising the water to the fullest extent. I sincerely hope with the Government that the system of local government recently introduced "in the matter of irrigation in the Kodayar area would be a source of all-round and far-reaching benefit to the ryots of that area to enable them to realise in full the manifold advantages to be derived from the project".

MR. C.P. KOCHUKUNJU PILLAI (*Kottarakara* cum *Kunnattur*): Sir, in the general discussion on the budget last year, I remember to have made some remarks regarding the national wealth of the people of the State. Though I tried in several ways, I could not get at the figures bearing on the wealth of the people and the average income of the individual. The Census Report which was kindly given by the Government to the members of this House could not help me either. The Census Commissioner himself suggests that the economic survey of the country should be made separately and a permanent department of statistics instituted. These are his very words.

"No organised attempt had been made in the past to collect statistics of rice and and other food-stuffs grown in the country and the proportion of people served by them. The birth and death figures collected for the rural areas, where about 90 per cent of the population live, cannot be supposed to be accurate. The general Census as taken in India supplies information about the growth, civil condition, education, infirmities and occupation of the people. The special Census taken this time along with it in the State, gives the condition of labour, the volume of internal trade, the condition of cattle, the nature of cottage industries &c. Even these are not accurate as these were done by untrained and temporary staff. The most important of the Censuses, viz, the Census of the economic condition of the people, still remains to be taken. It is not possible to take this Census satisfactorily along with the other Censuses, but it has to be done leisurely in the intercensual period".

In another place he says:

"An up-to-date department of statistics has become a desideratum and it must be entrusted with the undertaking of the decennial census operations. In the interval it will have to take an economic survey of certain typical villages in the State and collect and publish annually all kinds of statistics, Agricultural, Industrial, Commercial and Vital".

Early steps will have to be taken to have such an economic survey conducted. In considering the question of taxing the people, a fairly accurate idea of what they are worth is necessary, and it would be nothing short of oppression to tax the people beyond their means.

From this general observation, I pass on to a brief discussion of the income side of the budget presented for the consideration of the House. The Financial Secretary in his able spech observed that the salt duty was doubled from last March and we get Rs. 4 ¾ lakhs for the five months of this year and about Rs. 7 lakhs for the 7 months of the next year. But for this unexpected income, the revenues of 1098 would have been Rs. 5 lakhs less, and 1099 will close with a deficit of 5 lakhs. As the income and expenditure of 1099 is balanced on the

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windfall of the enhanced salt duty, it is seen that the finances are not built upon those steady and stable items of income. The Financial Secretary is not certain whether the enhanced rate of salt duty will continue after February 1924. It is really a heavy burden upon the poor people and it is taxing an article of everyday use just as necessary as water and air. There is no harm in making taxation heavy on luxuries; and so let us also hope that the salt tax will not continue after February 1924. It was raised, as we all know, to meet a special contingency of the Government of India and we may not have to meet any such contingency here. Hence I propose that this amount of about Rs. 12 lakhs should not be mixed up with the revenue but should be or should have been set apart for the special amelioration of the poor people.

In my speech last year, I referred to the hard *Puduval* Rules and expressed my fears that if they were not worked to the best interests of the people, the revenue expected under sale of Government lands during 1098 would not be coming in. My fears have been justified. The Financial Secretary in his speech says that the Government expect to realise Rs. 2 lakhs less under this head next year. Besides the reasons adduced by him, the hard *Puduval* Rules also acted as a deterrent. The *Taravila* is again enhanced now and it is fixed at Rs. 10 and Rs. 25 for dry and Rs. 50 for wet lands. All wet lands are not equally good and it is only just to fix the rates of *taravila* according to the quality of the land. The best lands have all been registered away already. What remains is mostly inferior lands. So, if the Government wishes to realise the revenue budgeted under this head the *Puduval* Rules should be framed and worked to the best interests of the people.

I wish to make a few remarks on the policy of Government regarding the maintenance of land records. The officers connected with the department are a bugbear to the people. Nobody is safe at any time. *Porambokes* may be found anywhere at any time and it can be shifted, increased or decreased according to the whim and fancy of the officer for the time being. What one officer finds as no encroachment, the second officer finds to be an encroachment to the extent of half a cent, and the third to the extent of 1½ cents. One wonders how the land records are so elastic. Where is the fixity then? An instance in point is my taluk which has an area of 1,28,000 acres according to the last settlement. I am informed, that when the lands were checked for the *Jamabandi* it was found that a few thousand acres are in excess. No satisfactory explanation was forthcoming till my departure from the station.

The temporary officers styled as Assistant Tahsildars are now placed under the L. R. M. Superintendent, which office is newly created. Now there are three departments connected with land records, *viz.*, the Survey Department, the newly created L. R. M. Department and the Revenue Department; and between these three, the result is, the people are troubled, the records become more and more elastic and confusing and nobody is sure about anything. Of course, imposing fines for encroachment on *Porambokes*, real or imaginary, is a

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source of income; but what I press is that this income is not worth having since it is obtained by unduly troubling the people.

Another source of income now and then resorted to, and which is to be condemned is the sale of grazing lands. At the last meeting of this Council, I moved a resolution requesting Government not to dispose of such lands since it threatens the safety of the cattle of the land. I was given the assurance that every effort will be made to preserve those lands for their original object. But now I understand that these lands are being inspected by *Jamabandi* officers for the disposal of such as are not absolutely necessary for grazing. I would in this connection request you, Sir, that the work of selecting lands to be disposed of, be allowed to be done after consulting the representative of the taluk.

When the budget was discussed last year in this Council, the policy of selling away timber in a hurry was criticised. The receipts from the Forests amounted to Rs. 15 lakhs in 1097, and this figure was put down as the revenue for 1098. There is a large decrease of Rs. 2 lakhs during the year. If a steady policy is not made and adhered to, what is budgeted for 1099 will not be realised. Besides the products now obtained from the forests, are there not any others which can be obtained and which would bring us some revenue? Now and then an officer is deputed to investigate the development of the forests. But that is not the result of any steady policy but of an attempt to make use of the services of an officer who has become supernumerary or who is not wanted elsewhere. In your address, Sir, to the last session of the Assembly, you said that the Forest College might be closed early in 1099. Then the services of a forest officer, set free from the College, may be available for investigation purposes. I do not know whether the Economic Development Board considered the development of our forests, except the application of Mr. Cox for the utilisation of the reeds of our forests for the manufacture of matches. For twenty years, it is reported, the reeds of our forests are to be given away free and no income derived from it.

The income from land customs has fallen by Rs. 2 lakhs, from Railway, Rs. 1 lakh, under Land Revenue 2 lakhs, under Income tax Rs. 20,000. Thus the income from five of the eight chief revenue-yielding departments is falling. Something is wrong somewhere. The heads of these departments as well as the Government should have a strict watch over the revenues of these to find out means of studying the income from the departments.

I am given to understand that 25 per cent. of the income from tea is to be taxed according to rules. It appears that no tax has yet been realised. I hope that the Government will take early steps and see that this income is realised and that from the date on which the Income Tax Regulation came into force.

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The extension of the railway to Trivandrum was attended by a surplus income; but this has been gradually falling from Rs. 1¾ lakhs in 1094 to Rs. 1¼ lakhs in 1095 and Rs. 1 lakh in 1096. In 1097, a loss of Rs. 1½ lakhs was incurred and a loss of over Rs. 1 lakh is expected this year. Besides the reasons given by the Financial Secretary, I may be permitted to suggest that the recent increase of railway fares has also contributed its share towards this fall. The fare has been doubled with the result that many in Travancore, where there are other means of communication, do not make much use of the railway now. To mention only one instance, there is a bus service between Trivandrum and Quilon, profitable both to the owner and to the travelling public. Moreover, those who usually travelled in the first class do so in the second class now, and those who were travelling in the second class are obliged to make use of the third class. So, unless the fares are reduced, the income from this source is not likely to improve. Passengers who travel without tickets are many. If these and other matters are attended to more carefully, the income from this source is bound to increase. While on this subject, I may suggest that a larger number of Travancoreans should be recruited and trained for service in the railway as station masters, guards, drivers, signallers, overseers etc.

Another source of income is worthy of mention. The cash balances in our treasuries and the savings banks deposits etc., may be deposited in the State-aided Bank which is to be shortly started at Alleppey. This may bear interest, which will substantially augment our income. In these days of banking, drawing money whenever and wherever wanted is easily done. I hope this suggestion will engage the attention of Government.

Let me now turn to the expenditure side of the budget. Last year I drew attention to the paltry sum provided for opening new roads. Out of Rs. 34,500 sanctioned under this item a sum of Rs. 30,000 was for a road from Kumili to Devicolam which left only Rs. 4,500 for new roads in the other parts of the State.

Now I am glad to see that a better sum of Rs. 68,900 is provided in the present budget for new roads. This too is not adequate. At least the sum which may lapse this year may be set apart for new roads which are very urgently required in certain parts of the State.

The village roads for the repairs of which also money is provided in the budget seldom enjoy the visit of the P. W. D. officers with their tapes or the coolies with their spades and pickaxes. Many of them are mere water-courses, ruts or heaps of stones.

The minor irrigation works of central and north Travancore do not receive the attention they deserve. Many *elas* (fields) had head *chiras* or tanks which supplied water for cultivating the fields. Some of them are registered away. The canals or water courses by the side of many fields are getting lower and lower every year. This acts upon the productivity of the lands in two ways. The water necessary for the crops cannot be raised to the field level. Moreover the water of those fields is drained away to the canals so that the fields become poorer and



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poorer. If cross-bunds are constructed in such canals they will be filled up in course of time and better crops of paddy will be the result. Liberal grants should be provided for this and other works required for the improvement of the paddy fields of the country. The last Census shows an increase of 16·2 per cent. and 1911 Census above 16·8 per cent. in the population of our State. No where else is such an increase seen. The production of paddy, the staple food of the people, does not increase in proportion to the increase of population. The country is face to face with the serious problem of supply of sufficient rice. All attempts should be made to improve rice crops by improving the fields and by having recourse to intensive cultivation. The Government should therefore keep on the policy of allotting liberal sums for minor irrigation. Stinting expenditure on this item is trying to starve the people.

For keeping clear of deficits at the end of the year, we have to frame our budget so as to leave a margin for good balance. I have heard of a time when the balance reached the high figure of Rs. 1 or 2 crores. Also, we should try to effect retrenchments wherever possible, without impairing efficiency. The period of training of undergraduates was reduced to one year; but no reduction of staff has hitherto been made on this account. The posts of Assistant Superintendents in the Police Department, Sub-Inspectors in the Excise Department and some of the Assistant Excise Commissioners and the Assistant Tahsildars can be done away with. I am sure that the House feels with me that efficiency will not be impaired by the abolition of these posts.

Travancore is a non-industrial State. The Department of Industries is in its infancy. Still it has a big staff. Several so-called experts were trained at Government expense in India and in foreign countries and they are given fat salaries. Government have already found that some of the lines of investigation were fruitless; and they have abolished them and the services of those experts are now utilised in other departments. The Shellac Expert is a teacher in the Education Department. The Oil Expert is going to be a teacher, they say. The Bee Expert is not producing any honey worth mentioning.

The people of this country are expecting great things from the Industries Department and are looking to the remaining experts to see what new measures or profitable lines they are going to open. Instead of wasting public money on useless and costly experiments of doubtful success, well-considered plans should be adopted and experiments made along useful lines, especially in developing the resources of the country and producing finished products out of the raw materials available here.

For training mechanical overseers and fitters, the Sri Mulam Technical School was opened three years ago. Government propose to spend, in 1099, Rs. 11,149 for training nine overseers and some fitters. Two batches of overseers and fitters are turned out with diplomas. Most of these are without work now. The result is, there is only one

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student to attend the Overseers' Class. The Director has now published notices in the newspapers inviting applications for the classes to begin on the 5th of August and the rate of fees is reduced by half. Before we leave this House this time, we shall see how many students are going to attend this school. When it is found that no pupils are coming, the school will have to be closed. This is the fate of one of the institutions started only three years ago to develop the industries of the State.

PRESIDENT: May I take it that there is no other non-official gentleman who wishes to speak in connection with the general discussion of the budget?

MR. V. KUNJUKRISHNA PILLAI (*Chirayinkil*): Sir, some of the distinguishing features of the new budget are (1) a good round sum allotted as leave allowances to the several departments, (2) though small amounts, increases made under "repair", (3) similarly increases under "office expenses"; and (4) increases made under "miscellaneous" in almost all departments. Though they are small sums when taken separately, these items consume a good deal of our revenue and I most emphatically oppose this policy in the budget. Some departments claim hot and cold weather charges, while some prefer only cold weather charges.

On the side of expenditure, the arrangements have been arbitrary and that fact can be seen from comparing the funds allotted for Education, and P. W. D. which get increased allotments of Rs. 3¾ lakhs and Rs. 2 lakhs respectively. Rs. 2¾ lakhs provided for leave allowance, Mr. George says, is only a tentative measure and a considerable portion of it will lapse. In another part of his speech it is said that a portion of the increased allotment of Rs. 2 lakhs under P. W. D. will be reserved for utilising when unforeseen expenditure comes in. I think these items can be safely expunged from the budget.

In the Education side, much of the amount is destined to be paid to teachers. A reduction in the number of the teaching staff in the Arts College is a long-felt want which the Government have not been pleased to look into. Most of the professors and lecturers in the College are passing their days without sufficient work.

In the P. W. Department, works useful to the public at large are left in abeyance without any inconvenience or trouble to Executive Engineers, Assistant Engineers, Sub-Engineers, Supervisors and Overseers. It is said that a very large portion of the budgeted amount for this year remains unexpended under P. W. D. If it is so, what were the host of P. W. D. Officers doing? In this connection, I cannot but repeat one sentence from my last year's speech on the general discussion of the budget.

"These P. W. D. Officers having much less work to do will be spending their time in a gallant fashion. This is not a thing which the tax-payer can witness without emotion".

In the light of the above view a good number of P. W. D. Officers can be dispensed with without any detriment to efficiency.

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[The Rev. Father Kuriakose Vettikkapalli.]

Similarly a good number of Assistant Superintendents of Police and a couple of Inspectors can be safely dispensed with in the Police Department.

Of late, the Excise Department has grown unwieldy with a number of Assistant Commissioners and Inspectors who have little work to do. Practically speaking, these were created by way of ornament to the Department and to the Commissioner.

The Agricultural and Industrial Departments, I must say, do little work. These two departments have got a good number of experts and specialists in stock. In spite of their special skill, the Agricultural Department has not yet been able to introduce any new kind of cultivation or demonstration in the country. Government have expressed their opinion once, by way of an answer to an interpellation by me that the Department has been working to improve the existing cultivation. But it is not so. Cultivators have not yet benefited by the so-called demonstrations. Similarly, the Industries Department also possesses a large number of experts such as the Pencil Expert, the Shellac Expert, the Oil Expert. The public are at a loss to know where these so-called experts are working and with what result.

I cannot close my speech without touching upon a curious department of the State which invites a lot of public criticism. That is the Department for the Preservation of Oriental Literature. I call it curious, because it is a department in which there is none who knows Malayalam and Tamil. Do not Malayalam and Tamil come under Oriental literature? Certainly they do. Curiously enough a sum of Rs. 1,000 is allotted in the budget for 1099 for publishing Malayalam and Tamil manuscripts by a staff and a Curator who cannot understand those languages. I hope this Council will consider the above mentioned defects when the demands for grants are made.

THE REV. FR. KURIAKOSE VETTIKKAPALLI (*Todupuzha cum Kunnatnad*): Sir, by way of some general remarks on the budget, I beg to say that expenditure under education is rising by leaps and bounds. Next year Government proposes to spend about Rs. 4 lakhs more on education than it did in the current year. Every well-wisher of Travancore should be glad to see that our State does not grudge spending almost one-fifth of its total revenues on the education of its people. From a close study of the past, we see, that this rise began with the introduction of Dr. Mitchell's educational policy which dealt a death-blow to private enterprise. It is an acknowledged fact that Travancore owes a great deal of her present high position in the matter of education among Indian States to the efforts of private agencies. Thanks to the altered policy of Government, private institutions are now given a freer hand and a fairer treatment. But I regret to say that they are not receiving that amount of sympathy and encouragement which is commensurate with the great work they are doing. According to the latest statistics published by the Government, out of the grand total of 4,02,181 school-going children

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in Travancore, more than one-half, *viz.*, 2,01,801, are receiving instruction in private institutions and that the *net* expenditure to Government on this account comes to only Rs. 4,68,891. The grant given to primary schools, notwithstanding the recent enhancement by 25 per cent. cannot be considered an appreciable aid. Government have to be congratulated on the fee concessions they have generously granted to the depressed and backward classes irrespective of their creed. I have to point out that, while helping these classes, Government have placed a new burden upon the aided schools making them forgo one-fourth of the fees with which these institutions have been maintained. It is hardly fair that such liberality should be extended at the cost of institutions which are almost struggling for existence.

I beg also to point out that one of the chief objects aimed at in the establishment of private schools is the imparting of religious instruction to the adherents of the several persuasions maintaining these institutions. The world is coming to realise more and more that education without religion is a failure in every respect. Therefore the placing of any bar in the way of religious instruction in private schools will defeat its object and tend to discourage private enterprise. A charge is sometimes brought against private institutions that they are inefficient. But the results of public examinations not only give the lie to such charges but prove that these institutions work better than departmental ones. I therefore beg to suggest, with a view to stop this abnormal rise in the expenditure on education, that a freer hand should be given and a fairer treatment accorded to private agencies than is done now.

I am sorry, Sir, I have again to bring to the notice of the Government the step-motherly treatment that is meted out to the northern taluks of the state in the matter of communications. Representations have been made *ad nauseum* of this crying want, by the members of this House as well as of the Popular Assembly from north Travancore. The Dewan, in his reply to the member from Todupuzha, one of the taluks I represent, said as follows at the last session of the Sri Mulam Popular Assembly:

"I find that the allotment for the development of communications in your taluk is insufficient. I will take steps to increase that allotment".

But to my great surprise, I see in the present budget a *minus* instead of a *plus* amount allotted for this purpose, as the last budget had an allotment of Rs. 24,700 while the one for the next year provides only Rs. 19,000. This is the unkindest cut of all. What I consider still worse is that these allotments made year after year are more paper allotments than reality.

Coming to the extension of railways, it is admitted on all hands that the Kottarakara-Alwaye line is a great desideratum. In this connection the Dewan said at the last session of the Assembly:

"The preliminary survey of the Trivandrum-Nagercoil line will not take more than 3 or 4 months. As soon as that is over, the reconnaissance of the other line will be started."

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[Mr. P. K. Narayana Pillai.]

This period is long past and I have been searching in the present budget to find whether any allotment has been made for this purpose. To my great astonishment, I find that no mention whatever is made about the proposed reconnaissance. This, I suppose, means that nothing will be done in the coming year in the matter. Need I say, sir, what a great disappointment this will be to the people of north Travancore ?

Out of Rs. 2 crores budgeted for expenditure during the coming year, a large slice goes in the way of salaries, etc., to officers. All Travancoreans are His Highness' subjects and all contribute to the State exchequer. But when there is a want of sense of proportion and a diffferentiation of treatment as between the different castes and creeds such treatment must necessarily cause heart-burning. Until recently, the Land Revenue Department was a preserved for the privileged classes. The number however admitted to that Department since then is nothing to speak of. In the higher ranks of the Land Revenue as well as in the other departments, non-caste Hindus, Christians and Mahomedans are not sufficiently represented. As regards the inferior service, the representation of the above communities is almost negligible. Circulars have been from time to time issued by the Head of the Administration in this matter. But they seem to be honoured more in the breach than in the observance. I must not be misunderstood as saying that efficiency should be sacrificed for communal interests. All that I plead for is equality of treatment to all communities without in the least impairing efficiency in the several services. Then alone will peace and contentment reign among the subjects of His Highness the Maha Raja, which is the goal the Government aim at.

The Council adjourned for lunch at 2-15 P. M.

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The Council re-assembled at 3-8 P. M.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): Sir, Mr. George has again come up with a budget estimate which he has presented with the coolness of a veteran. He is decidely of better cheer this year and I take it as an indication of his consciousness that there is considerable improvement in the financial outlook since he presented the last year's budget estimate. No doubt he was optimistic even last year, though his optimism then was hedged round with a number of warnings and demands for economic use of the State fund and scrupulous carefulness. To quote his own words:

"Thus, while there is nothing seriously grave or alarming in our present financial position, there is the clear necessity that, in order to meet the increased demands of the future, we should exercise strict economy in expenditure and effect all reasonable retrenchments which would not impair the efficiency of the essential services, while endeavouring at the same time to improve our revenue resources."

Some of us who were not so stout of heart as Mr. George had the temerity to question the groundwork of his calculations last year and in the light of subsequent happenings we find that our apprehensions

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were not unfounded, though Mr. George even now claims to have triumphed over us and maintains that he has the upper hand by what he calls a windfall. The windfall referred to is obviously the result of the financial experiments conducted upon sodium chloride by the Delhi Government. (*Laughter.*) Certainly, referring to this, Mr. George even now tells us that his optimistic views expressed last year have been confirmed this year. If Mr. George means thereby that he had this windfall in his mind when he prepared the budget estimate last year, then I daresay that his powers are more of the silent class and not of the express and articulate variety.

Sir, the principles that Mr. George steadily kept in view in the matter of preparing the budget, as may be seen from the quotation I placed before the House, are two in number, *viz.*, firstly to retrench as far as possible and secondly to keep steadily in view the efficiency of the departments concerned. Now there is one aspect of the matter to be taken into consideration in this connection. That is with respect to the question whether the various services engaged in the matter of collecting the revenue due to the Government are really doing their work as best as they possibly can under the circumstances, *i. e.*, the receipt and revenue side of the budget. For my part I doubt whether they do as much as they ought to do.

With respect to the operations of the Income Tax Department, I called for some information from the Secretary to the Legislative Council under standing order No. 72. But my friend Mr. Parameswara Aiyar tells me that the information that I sought to elict is not covered by that standing order, though to my reading it certainly applies. Irrespective of that, the informal information that I sought and obtained with respect to the Income Tax Regulation enables me to make the statement that the South Indian Railway Company is not taxed in Travancore with respect to its income. They have got business transactions within the territory of Travancore; and if any doubt is entertained by the Income Tax Commissioner or by the legal advisors of Government, I would draw the attention of my learned friends to the ruling of the Calcutta High Court reported in *27, Calcutta Weekly Notes, 34*, which says that the Bengal-Nagpur Railway is liable to be assessed with respect to some of their earnings and the Calcutta High Court has accordingly ruled that the assessment should be collected from them.

PRESIDENT: You are arguing a particular case of assessment of income tax, which, I may say, is not before the House.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): What I am pointing out is that the South Indian Railway Company are escaping the assessibility to income tax in Travancore and that the revenue officers who are responsible for the collection of income tax are not doing their duty properly. I am quoting the case as an illustration.

PRESIDENT: But the budget itself shows that the South Indian Railway Company is working at a loss so far as Travancore is concerned.

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[Mr. P. K. Narayana Pillai.]

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): So far as their earnings in Travancore are concerned, they are liable to be assessed.

PRESIDENT: It is on that portion that there is a deficit. That includes the working charges and the remuneration for running the railway for the Travancore Government.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): They are liable to be assessed with respect to their remuneration.

PRESIDENT. However, it is a particular case which has got to be examined elsewhere.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): I am very glad that it is under the consideration of the Government.

Then I go further and take up the case of Posts and Telegraphs with respect to income tax. I asked—

PRESIDENT: You will have to ask for all that information by means of interpellations.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): I applied for information to the Secretary. My submission is that they should be taxed. (*Laughter*). For, they are only business concerns conducted by the Secretary of State for India for profit and gain. Viewed in that light, my submission is that he is also liable to be taxed. Then there are other persons also who should have been taxed; but I see that, by a notification published under section 43 of the Income Tax Regulation, they have been exempted. I think the exemption covers the case of the British Resident and Assistant Resident. So much so by virtue of the exemption granted by the Government they are not liable to be taxed. So much with respect to the Income Tax Regulation.

With respect to the question of land revenue, you, Sir, when you addressed the nineteenth session of the Sri Mulam Popular Assembly, and when you wrote the Administration Report for 1097, deplored that the land revenue collection is much in arrears. That again is certainly a very bad symptom. Because our land revenue is one of the invariable items of revenue that we could reckon upon. Administration Report pages 10, 11 and 12 may be referred to in this connection. On page 10 it is stated as follows :

"The percentage of collection under current demand fell from 98·3 in 1096 to 96·2 in 1097".

And then you observed that the Land Revenue Commissioner had been asked to ascertain why the collection of Land Revenue had gone down considerably. So, even with respect to that, we find things are not quite satisfactory. There may be other instances in which such criticism is possible.

But, passing on to the question of expenditure, matters are more serious, though all possible retrenchments, Mr. George promised us, would be made. Now there is internal proof in the Administration Report

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and also in the budget estimate that the expenditure is capable of very serious and further retrenchments. With respect to Taluk Cutcherries we see that about 131 Accountants and nearly 299 peons have been removed *en bloc* to the Survey Department and yet the collection of land revenue goes on as smoothly as ever. Necessarily it follows from this fact that the retention of 131 Accountants in the various *pakuthies* and the corresponding number of peons—about 299—is a superfluity in the Land Revenue Department. Otherwise, the work of collection could not have been carried on so smoothly and satisfactorily as it is at present.

PRESIDENT: You said only a minute back that the work of land revenue collection was not satisfactory.

MR. P. K. NARAYANA PILLAI (*Ampalapuzha*): That is only a portion, about four per cent.

PRESIDENT: I am only drawing your attention to what is apparently inconsistent.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): I am just placing before the Council the Government's position. As to the neglect in the matter of collecting the land revenue, it is not the fault of the system that brought about a fall in the collection. But it is the slackness of the Tahsildars that has been pointed out and the explanation has been called for with respect to that. If as a matter of fact the removal of 131 Accountants and a corresponding number of peons had been the cause, certainly they must have been restored to the Land Revenue Department. That is not the real underlying cause. The cause is entirely different. Then with respect to the work of the Tahsildars, a number of observations may be quoted from the Assembly Address and also passages from the Administration Report to show that they had not been doing any serious work at all. In view of the Devaswom work as also the criminal work having been taken away from the Tahsildars—and recently the Maramat work has also been taken from them—the phenomenon that these people continue to do as little work as ever is simply surprising. There is yet another matter to be also mentioned. There is another body of Tahsildars called Assistant Tahsildars seriously brought into existence in the year 1096. (*Laughter*). These people were asked to do certain duties at a time when the Tahsildars were overburdened with all manner of works. Now that those works have been removed from the Tahsildars' shoulders to a very considerable extent, the question arises whether the employment of Assistant Tahsildars is a real necessity.

With respect to the Magistracy also, we see in the Administration Report—pages 41 to 45—that Government deplored that the Magistrates did not turn out the necessary amount of work. Going further on to the Civil Courts and the Sessions Courts there is also seen the fact that year after year the appointment of additional hands is insisted upon. From all these, the legitimate inference to be drawn is this, that the efficiency of the service is hardly a factor kept in view by the Government in spite of the Financil Secretary's statemet to the contrary.



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[Mr. P. K. Narayana Pillai.]

If, as a matter of fact, as regards the number of persons now requied for civil administration and criminal administration as well as revenue collection there are a sufficient number of persons competent to do their work, the question arises how year after year all the heads of departments including the High Court have demanded additional hands to do the work. (*Hear, hear*). So my humble view of the situation is that, in spite of the repeated assertion made by Mr. George and probably those who supply information to Mr. George and to Government also, the fact is very clear that the efficiency of service is a factor which exists only in talk and is never seriously taken into consideration by Government. In view of that fact, what I further beg to submit is that the revision of salaries and allowances and scarcity grants and all manner of coddling treatments that these services receive at the hands of Government seem absolutely out of place. It has practically become a proverb that the rule in Travancore in the matter of appointments is that there is an amount of initial difficulty in getting an appointment. But when once you get into the service it is equally difficult to get you out. That seems to be the idea entertained by these officers. A very large number of them do not care whatsoever with respect to the duties that appertain to their offices. So, a thorough examination and scrutiny of the work of the various officers employed in the various departments is essential and the sort of airy explanation received from departmental heads, including the High Court, with respect to the remissness of the work observable in the lower ranks should not be simply recorded but should be followed by some painful experience. Thus with respect to this question of the services, neither retrenchment nor the point of efficiency that has repeatedly been raised by Mr. George, I submit, is steadily kept in view.

I raise another question. We see two hundred lakhs of rupees raised by revenue and nearly as much spent also year after year. Looking at the expenditure, one is surprised that the result of the sweat of the brow of the taxpayer crystallised into money and collected by the Government is spent not so much to the advantage of the taxpayer as to keep up a body of officials in the State. What, after all, is the portion of the entire collection that goes to the benefit of the taxpayer? That is a question that the Government has to take into consideration. In a way two or three departments are run for the benefit of the taxpayer *i. e.*, the Education Department, the Medical and Sanitary Departments in a faint way (*laughter*), since there is a complaint of paucity of medicine available there; and then the P. W. Department whose proceedings though too gaudy upon paper do not seem to correspond to actual achievements. For, in spite of our opposition in regard to the question of grant to the P. W. D., Mr. George and the other gentlemen on the official side were very particular that the grant originally budgeted should be allowed and by all manner of earnestness we got only a small portion cut out of it and we were under

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the impression that any further reduction would hit the people themselves. But what the P. W. D. did was to surrender a portion of the money and allow some portion to lapse. For these circumstances, it has to be said that the professions of the P. W. D. are maintained only either on paper or before the Council and not really maintained in the actual work. So when it comes to the actual benefit derived by the ordinary taxpayer, there is an amount of gloom visible, so far as the people are concerned.

PRESIDENT: I am afraid your time is up.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): I commenced at—

PRESIDENT: Five minutes after three o'clock according to my time.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha*): There is still two minutes more according to the clock.

In regard to the question of fee concession we are going to allot about Rs. 50,000. The entirely wrong principle underlying that item in the budget has been adverted to, by my friend Mr. Krishna Aiyangar. The depressed classes and the backward classes certainly deserve very kind and sympathetic treatment; but in Travancore sympathetic treatment shown in one direction seems to give room for pushing that principle in every other direction as well. However, in the case of the depressed classes, we see they have got fee concession; they have got advantageous concessions in the matter of *puduval* registry; and they press now that they should be given their meals. They contended that the Land Acquisition Regulation should be put into operation and properties acquired and houses put up for them. Probably they would urge next that the marriage expenses, including dowry if any, of the females of their community should be borne by the State. I have been going through your replies to the representations made at the Assembly and find that you have been extremely sympathetic to the depressed classes. I am glad of it. But they should be distinctly told that there is a distinct limit to the indulgence shown to them by the State. Further, on what principle is the fee concession based? Is it upon the question of poverty? There is nothing like communal poverty. Probably, in the case of *Pulayas* and *Parayas*, we may raise that presumption unless the contrary is proved. But in the case of other communities, such as the Ezhava and other important communities, to start with a presumption that they are poor is certainly unwarranted. They have themselves to prove that they are poor. In such cases, the policy of the State in granting fee concession does not appear to be sound. Further when it comes to the question of entertainment in the Government service, they claim equality with other communities and do not admit they are backward in any thing. Let there be equality all round. Government in its overflow of sympathy is occasionally tempted to accept inconsistent pleas. At this rate, the whole machinery of fee concession would be brought to an abrupt standstill and nobody would be benefited thereby.

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[Mr. M. R. Madhava Variar.]

MR. M. R. MADHAVA VARIAR (*Chengannur* cum *Pattanamtitta*): Sir, the budget presented to the House for consideration has all the merits and demerits of its predecessor. In my budget speech last year, I took care to point out that our financial outlook is gloomy, that the moral and industrial advancement of the people has been left unattended to, that no advantage is taken of the financial position to inaugurate comprehensive schemes of State action for improving the condition of the masses and that relentless retrenchment in establishment alone will create a surplus to liquidate our debts and to embark upon new schemes of progress and expansion. I feared at that time that our expectations of revenue might be shattered, but that our expectations of expenditure would be amply fulfilled. It can be seen from the memorandum appended to the budget that that forecast was almost correct and we were saved from deficit by the accidental enhancement of salt duty, by subtle manipulation in calculating the salaries of officials and by the curtailment or withholding of expenditure of certain spending departments. I must congratulate the Government for the cautious conversion of a deficit budget into a balanced one by feats of financial calculations. I am afraid that the same procedure will have to be adopted at the end of next year to prepare a balanced budget if the Government do not find ways and means of reducing expenditure and of augmenting the revenue. The appropriation of Rs. 2½ lakhs for leave allowances which was hitherto met from savings or treated as inevitable charges and not covered by budget grant at all is perhaps meant for balancing the budget next year. Though Government deserve congratulation for making both ends meet by various means, it cannot be denied that they are not able to set apart a substantial reserve for unforeseen expenses and to provide for reproductive works.

Mr. George has become optimistic about our financial outlook after the examination of the financial position for the past ten years. But the figures which he has disclosed in the budget and in his speech have not inspired us with the same cheer. The huge debt which hangs like the sword of Damocles over the State, the swift inflation of the liabilities and the gradual enhancement of ordinary expenditure make me feel that we are forging ahead to bankruptcy.

In fact, the liabilities of the State have increased to an enormous extent. Our original liability on account of the Shencottah-Quilon Railway which amounted to Rs. 118 lakhs has now increased to Rs. 133½ lakhs mainly on account of the purchase of rolling stock. The railway which ought to be a source of profit to the Government is devouring a good lot of our money and is theratening us with bankruptcy. This debt could have been liquidated in 1917 with one-third of the amount when the exchange rate was low if the State was sufficiently vigilant to purchase the bonds in the market. The Financial Department excuses itself by saying that the loan was raised by the Home Board of the South Indian Railway Company and that it had no information and no means by

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which it could obtain information regarding the fluctuations in the London Market. If the Government had seriously thought of liquidating this liability, they could easily have negotiated with a broker in England to purchase the bonds as any private person in open markets. When our liability is on the increase every year, when the profits of the railway are not sufficient even to pay the interest on the loan and when we are setting apart a good sum annually to pay compensation to the Company, I fail to understand how the Government propose to reduce the amount of the sinking fund from next year forwards. The Financial Secretary has wisely refrained from suggesting any remedy if the liability is added to later on. The reduction of the contribution to the sinking fund next year is, in my opinion, a financial blunder. The amount now set apart for leave allowances could very well be invested in sinking funds. If we are able to hoard sufficient money to pay off the liability before 1945, we will have to congratulate ourselves for removing an ever-troubling nightmare. The financial outlook is not only gloomy but is also threatening. Even balanced budgets for a good number of years will not solve this difficulty,

Mr. George consoles himself that:

"Our State has so far, by its cautious and prudential policy, escaped the common fate of most other Governments and has been able to balance its budgets without having either to resort to new taxation or to make any considerable curtailments in its normal expenditure".

But it is to be clearly understood that this State has not embarked upon any large schemes to sustain a deficit. If we lead a hand-to-mouth existence for some time, we can congratulate ourselves that we have no deficits. But for the enhancement of the obnoxious salt duty, we could not have rest contented with our budget. That duty has saved us from deficit and induced us to increase the expenditure in various directions.

I am at a loss to understand the Financial Secretary when he says:

"The Government have been able without undue strain to carry into effect a much needed revision of the salaries of the subordinate services and also to embark on various new schemes of progress and the expansion particularly in the departments concerned with the moral and material development of the country".

Hitherto the one complaint against the Government was that they were totally neglecting the moral and material interests of the masses. What have the Government done to redress the evils of unemployment? Government had no money hitherto to inaugurate large industrial schemes. If the present financial policy is to be continued, the Government will never be in a position to develop the industrial activities of the State. We have agricultural, industrial and scientific departments. These departments are in a stage of experimentation and whatever may be their potentialities in future, the people are not convinced of their full utility at present. When a member of the Popular Assembly represented that the promotion of industries was the only means of augmenting the State's wealth, the Dewan's reply was that the question whether Government should itself start industries and work them or whether Government should only do a certain amount of demonstration and



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[Mr. M. R. Madhava Variar.]

encourage private industry was a very large question to which the Government could not give a categorical or definite answer. We can have no programme or policy for industrial regeneration unless and until we are able to command funds. Our State has lost very many golden opportunities of embarking upon large industrial schemes. The one scheme into which the Government entered heart and soul, *viz.*, the railway, has landed them in an awkward position from which they are wriggling to back out. The Government have given concessions to Mr. Desikachari for starting the match industry, by which the Travancore Government would lose a considerable sum on account of the value of timber alone. If Government had money they could have started their own match factory. Last year, we were discussing the question of mortgaging the hydraulic rights in the Kallar valley to a foreign company because we are not in possession of sufficient funds to work the scheme. We have given away our rights in monazite and ilmenite to foreign companies as our Government cannot help the industry any way. The Travancore Government have not helped the moral and industrial activities of the people in a way which deserves mention in the Financial Secretary's speech.

We have reached the bedrock of taxation in the country. The direct and indirect taxes imposed upon the people are operating heavily against the masses. The only way of developing the nation-building and industrial activities of the State is to tap new sources of income. Last year, Mr. Krishna Aiyangar pleaded for an early revision of the Interportal Trade Convention of 1865; and the people's representatives in the Popular Assembly have since then requested the Government to negotiate with the Madras Government for the alteration of the terms of the Convention. Undoubtedly, our population and standard of living have increased to a remarkable extent since 1865. Our imports have also increased 3,000 per cent. Under the circumstances, our import duty would roughly come to Rs. 15 lakhs every year. I am glad to understand that this question has engaged the serious consideration of the Government.

Another way of enhancing our revenue is by appropriation of duty on tea for our own purpose. It is not clear why Travancore pays back the major portion of the duty on tea to the Madras Government. The duty realised and the amount paid to the British Government during the last three years will show how much money we are losing on that account.

| *Year* | *Duty realised.* | *Amount paid to the British Government.* |
|---|---|---|
| *1095* | Rs. 3,36,988 | Rs. 1,13,752. |
| *1096* | Rs. 2,83,523 | Rs. 2,34,315. |
| *1097* | Rs. 2,91,997 | Rs 1,97,544. |

This duty which entirely belongs to us is now shared by the British Government also. If the Government will negotiate with the British

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Government for relinquishment of the share therein there will be a perpetual saving of Rs. 2 lakhs every year.

Thirdly, our revenue can be increased by revising the agreement which our Government have concluded with the Kannan Devan Planters. The Kannan Devan Hills comprise a lakh and fifty thousand acres of land. By the original agreement, the planting company was bound to pay a tax of 8 annas per acre of cultivable land within 24 years and 2 annas 8 pies per acre of grass land. This agreement has been subsequently modified and now the company pays tax for the area actually cultivated, and Government are realising tax only for forty thousand and odd acres. If the agreement is still further modified and the usual tax levied on *puduval* lands is realised from the planting company, the Government can realise at least an additional sum of one lakh of rupees from that source.

Lastly, there is the agreement with the South Indian Railway Company. Though the State spent its own money to construct the Trivandrum-Quilon line, we have to incur a steady loss every year. The Financial Secretary says that there is no reason to anticipate any large improvement in traffic earnings or any material reduction in the working expenses. We incurred a loss of Rs. 1½ lakhs in 1097 and are expecting a loss of Rs. 1 lakh in 1098. This year, in reply to a representation on railways, made in the Assembly, the Dewan stated:

"You have referred to what you considered to be the unsatisfactory position of the State in regard to its railways, and have stated that Cochin has been able to modify the original arrangement it had with the South Indian Railway Company in regard to its railway. I am not aware that any such modification has been made. As a matter of fact, the position of Cochin is altogether different from ours. The Cochin State owns its railway now, and only its management and working are with the Railway Company. That is not the case with Travancore. Only eight days ago I had a talk with the Comptroller of Accounts and I asked him what sort of power they had in regard to the railway. He said: "We have absolutely no powers. The Railway administration send us returns annually or half-yearly." That does not, however, mean that we should keep quiet and not try to effect changes for the better. But effecting changes in matters which have been finally settled once is not easy."

It will be conceded by all that modification of treaties and conventions is not very easy, and the resources of the State cannot also be increased by easy means. In addition to the revision of the agreements, the imposition of tax on rubber, the improvement of ports in Travancore, and the inauguration of reproductive works will also improve the finances of our State.

Only now we are told that Government have participated in the Cochin Harbour scheme and contributed Rs. 3 lakhs. The rising of a good harbour at Cochin coupled with our participation in it will be a terrible blow to ports in Travancore.

Sir, last year, I pleaded for relentless retrenchment in salaries and establishment. Thereafter in this Council and in the Assembly there were representations to the effect that further retrenchments ought to be made. The Dewan's reply to the representation in the Assembly was that, with the help of the Finance Committee, Government would do all that is necessary to further examine the question of retrenchment.

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[Mr. T. Lakshmana Pillai.]

The budget estimate for 1099 does not show that the help of the Finance Committee has been availed of by the Government to effect any substantial retrenchment, and the speeches of Mr. G. Parameswaran Pillai and Mr. T. K. Velu Pillai have not enlightened usany further. On the other hand, expenditure on establishment has gone up this year. Mr. George has admitted that we spend 37·5 per cent. of our total revenues on salaries and 2 per cent. on travelling and other allowances. This is slightly less than the proportion in Madras and more than that in Mysore. He himself admits that there is possibility of further retrenchment here and there. But he contends that, because our finances are not in a dangerous condition and because we are not sustaining heavy deficits every year, retrenchment on a large scale is not necessary. I have endeavoured to point out that our financial outlook is not as rosy as it is represented to be and that we are short of funds to help the nation-building activities of the State. If the aim of the Government is always to equalise revenue with expenditure somehow and to relegate the future to the hands of Providence, we can be hopeful and merry with the slight achievements we are making. I fear that the smooth and quiet running of the machine of finance will gradually place us on the verge of an abyss if we do not gradually increase our resources and retrench our steadily increasing normal expenditure.

Mr. T. LAKSHMANA PILLAI (*Nominated*): Sir, in the budget there is a provision of Rs. 3,400 for the Head Translator to Government, Rs. 1,100 (a mistake for Rs 1,200) for the Assistant to the Head Translator, and Rs. 3,200 for Malayalam and Tamil piece-work translations. I do not know whether any and what provision is herein made for the entertainment of a full-time Tamil Translator. The current arrangement for the Tamil translation of Government proceedings is by the piece-work system which is obviously an unsatisfactory one. Tamil requires an independent translator as much as Malayalam and it would be well in the interests of the vast Tamil population of the country that the place of the Assistant to the Head Translator at least is filled by a person duly qualified in Tamil. On this point, therefore, I entirely endorse the view of my friend Mr. Paul V. Daniel.

I have a word to say in regard to *Bhagavatars* appointed in the Vernacular Schools. They are 63 in number, and draw a pay of Rs. 14 each, the annual allotment being Rs. 10,584. The pay of the drawing masters who are 61 in number, on, however, Rs. 18 each aggregates to the annual figure of Rs, 13,176. I confess I cannot guess the reason for so much disparity in the remuneration paid to the votaries of two arts which are of equal importance to the pupils concerned and to the general public. If the reason is that the drawing master is paid more for more arduous work, this is not the fact. For the *Bhagavatars* have to work at least for an equal number of hours with the drawing masters. As regards the subtlety of the two arts or the difficulty in mastering them, I do not see for what reason drawing is to be regarded as

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more difficult of accomplishment, when on close scrutiny it will appear that music is the more subtle of the two and demands a closer and more exclusive attention of its votaries for a long period of time to attain proficiency therein. In the result, I have to urge that *Bhagavatars* have at least to be treated on a par with the drawing masters.

Another point to which I would draw attention is that *Bhagavatars* should be divided into two grades, higher and lower, and remunerated differently. This division will only be in consonance with the higher and the lower grade examinations fixed for them on the recommendation of the Music Board, making the *Bhagavatars* eligible for appointment in the Secondary and Elementary Schools respectively.

PRESIDENT: Any other non-official gentlemen inclined to speak?

MR. J. JOHN NIDIRY (*Changanachery cum Minachil*): We will have our speeches to-morrow.

PRESIDENT: The only disadvantage is that, as regards the general discussion of the budget, whatever the official members may have to say cannot be said until all the non-official members have had their say. And if the non-officials are not going to speak now, the House will have to rise and we will have no more work for to-day. If they will go on speaking, we can continue till about half-past five. That is the only difference. I may also say that to-morrow there may not be sufficient time for the remaining non-official gentlemen and also for the official members to speak. I should like the officials to explain a number of points that have to be explained. I should like them to explain in detail various matters mentioned by the non-official members. So, it would be a good thing if the officials are kindly allowed by the non-official members sufficient time for their replies.

MR. K. P. RAMAN PILLAI (*Quilon*): If some of the official members would speak at once, it might obviate the repetition of certain points by us.

PRESIDENT: I do not think that is at all suitable in a general discussion like this. It is only when the officials are in full possession of the difficulties the non-official members experience, that they can economise time and make useful speeches.

MR. JOHN MACKIE (*Planters*): Sir, I should like to make a few remarks on the subject of the State Railway. It is evident from the budget and from the previous budgets that they have never been a paying proposition. Why, it is difficult to know; and it is impossible for us, members of this Council, to know with the information placed at our disposal. What we do know, however, is that a very considerable amount of traffic passes over the line and a great number of passengers avail themselves of the service (*Hear, hear.*) To the lay mind, at any rate, the proposition looks a sound one and, one would think, ought to pay all right. Personally, I will require a good deal of convincing before I can be made to believe that, with efficient working, it cannot be made a very sound financial concern. The Financial Secretary referred, as I think he did

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[President.]

the previous year, to a large sum of money being given to the South Indian Railway Company for providing new rolling stock. Well, where is that new rolling stock? Some of it ought to be ready and in use by this time. It is needless for me to enlarge on the state of the railway carriages; and every trader knows the dilapidated state of a great many of the goods waggons, some of them so bad that they cannot take loads up to their full carrying capacity, although the Railway Company take care to see that you *pay* for the full carrying capacity. (*Hear, hear.*) What I should like to know is, is this large sum of money simply handed over to the Railway Company to provide the rolling stock for the railway generally? Is it the Travancore Government's share of the amount required for the whole system of the S. I. R., or is it an amount paid for rolling stock for the specific use of the Travancore State section? There is no doubt in my mind that, as things are at present, the Travancore Railway is starved. Ever since I have been here in the State, as far as my business is concerned, and, I know I am speaking on behalf of others as well, it has been a continual outcry against the inadequate supply of waggons to carry our goods. It has hampered business very greatly; and I consider it is up to this Government, if it wants to make its railway pay and assist the trade in the State and, by so doing, further the prosperity of the State generally, to see that sufficient rolling stock is supplied to enable traders and others to conduct their business in an efficient manner As it is now, waggons are only supplied at the pleasure of the Railway Company and not the slightest consideration is given to the business of the country. Travancore is treated as a sort of backwater for which anything is good enough; and consideration is given to it only when the wants of other districts on the main line have been supplied. Fares and freight have risen 100 per cent. in many cases, killing a lot of business that used to come to Travancore; and now, even with this enormous increase, which is certainly not justified in my opinion, we have got a most inefficient service.

PRESIDENT: I take it that no non-official gentleman is prepared to speak hereafter this evening. There is no other alternative than to rise now and meet again at 11-30 to-morrow.

MR. N. RAMAKRISHNA PILLAI (*Vaikam cum Ettumanur*): We want to speak to-morrow. We are not prepared to-day.

PRESIDENT: Two days are allotted for general discussion. The whole time is supposed to be taken up fully for the purpose. However, we have to close an hour and a half in advance. We will meet again at 11-30 A. M. to-morrow and proceed. I would once again request the members to allow the official members sufficient time for their replies.

The House adjourned at 4 P. M.

S. PARAMESVARA AIYAR,
*Secretary to the Legislative Council.*

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